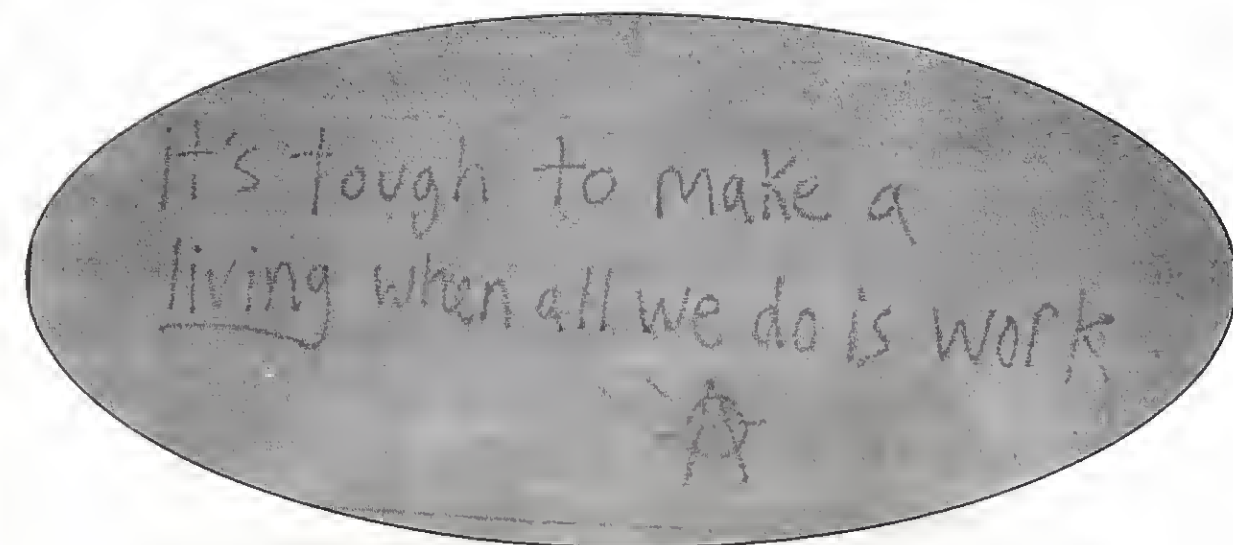


Other people are not your property.

Samhain/Yule 2008
Beta Issue



ALLiance
a journal of theory and Strategy



Table of Contents

Title	Page Number
A Note From Z's	1
Libertarianism: Left or Right?	3
Whatever Happened to Political Philosophy?	8
Human Resource Management, <i>a poem</i>	15
An Introduction to Digital Gold: An Excerpt	18
The Pen, <i>a poem</i>	20
Eight Ways You Can Personally Help to Smash the State	21
The Stateless Society: An Examination of Alternatives	23
Free Enterprise: The Antidote to Corporate Plutocracy	33
The Last, Whole Introduction to Agorism	45
Sustainability, Mutual Aid, and Liberation	53
Resources	56

Attribution-Noncommercial-Share Alike 3.0

You are free:

to Share — to copy, distribute, display, and perform the work

to Remix — to make derivative works

Under the following conditions:

Attribution - You must attribute the work in the manner specified by the author or licensor (but not in any way that suggests that they endorse you or your use of the work).

Noncommercial - You may not use this work for commercial purposes.

Share Alike - If you alter, transform, or build upon this work, you may distribute the resulting work only under the same or similar license to this one.

For more information - www.creativecommons.org/licenses/by-nc-sa/3.0/us/



Next Issue

The next issue will take a closer look at action. How can we move towards a stateless society. What are some alternatives to the corporate welfare state. I touched briefly on Mutual Aid Organizations, but what else is there? Have you written (or thought about writing) a Do It Yourself guide or primer that will help people live life a little more freely? If so, please consider submitting it to ALLiance. Submissions deadline is February 14.

Submissions can be sent to chris@chrislempa.info.



Institute, discusses MAOs that deal with various aspects of everyday life. While their ideas may differ from my ideal, they represent the range of possibilities surrounding the idea of a Mutual Aid based society.

An example of the prominent role that MAOs can play in disaster relief is *Common Ground Algiers* (CGA). This medical clinic is staffed by volunteers that provide health care, toiletries and even information on solar cookers. CGA was functioning before the government clinics were set-up, and continues to function after many of the government clinics have been disbanded.

CGA differs from the "charity industry" (i.e. The Red Cross, Salvation Army, etc.) because their work "aims to give hope and stability to communities by: working with them, providing materials, money, information and people working together in rebuilding their lives in just and sustainable ways." That's not to say the Red Cross isn't relevant. In fact, the Red Cross has community based, volunteer staffed Disaster Action Teams that are very efficient in providing aid when disaster strikes. MAOs, however, are designed by people living within a community.

This is not an ideological or political issue, nor is it limited to New Orleans and other "disaster prone" areas. Sustainability and Mutual Aid can—and more importantly should—be incorporated into our everyday lives. These two steps will help us liberate ourselves from the oppressive forces of the dominant culture.

Aside from editing *ALLiance*, Chris Lempa is an editor at *Strike The Root* (www.strike-the-root.com) and writes a column for *Black Oak Presents*, a quarterly journal examining mid-American culture. He can be reached at chris@chrislempa.info.

Resources

Alliance of the Libertarian Left - www.libertarianleft.org

Agorist Action Alliance - www.agorism.info/a3/start

Molinari Institute - www.praxeology.net/molinari.htm

Center for a Stateless Society - <http://c4ss.org/>

Association of Libertarian Feminists - www.alf.org

Anarchist Archives - http://dwardmac.pitzer.edu:16080/Anarchist_Archives/

The Libertarian Labyrinth - www.libertarian-labyrinth.org

Anarchist FAQ - www.infoshop.org/faq/index.html

Libertarian Left Aggregator - www.leftlibertarian.org

AnarchoBlogs Aggregator - www.anarchoblogs.org

Blogosphere of the Libertarian Left - www.libertarianleft.bravehost.com

A Note from Z's

Libertarianism is a political philosophy with a rich history. A countless number of people have dedicated their lives to the freedom movement. The goal of *ALLiance a journal of theory and strategy* is not to explain libertarianism - that has been done. The Molinari Institute, the Libertarian Labyrinth, and Anarchy Archives, amongst others, have a great collection of foundational texts. *ALLiance* aims to disseminate theory and strategy. Both new and recently published articles will be included. So many great articles have been published on blogs and articles. Some of these reach a large audience, unfortunately many do not. Many end up preaching to the so called choir or converted. Hopefully *ALLiance* will help spread the ideas of our loose knit movement.

Future issues will, hopefully, focus largely on strategy. Most people reading this will agree that change is necessary, but how do we realize that change? Let's move our theory to action. Articles on theory will be accepted and published, but we prefer to move those ideas forward. A lot of other venues focus on theorizing a more free society. An example of such a publication was *Z Papers*. This magazine continued up where *Z Magazine* stopped. That is, *Z Papers* went beyond analyzing what was wrong. In fact, that's where the journal began. Unfortunately, from what I can gather, it failed due to lack of submissions.

Eventually I would like to turn *ALLiance* into a *Z Papers* for the libertarian left. Strategies will be diverse and differ in reach and risk. Anything from encrypting email to tax avoidance will be included. Electoral strategies will also be considered, but we really don't have much interest in relying on the parasitic class. However since the state is so overarching, there will undoubtedly be people who work within the system. My personal view is that this is okay so long as it's done as a non-reformist reform (i.e. working towards structural change).

Housekeeping Notes

ALLiance will be published quarterly. Submissions will be accepted up to one month before the next issue is published (February 1, May 1, August 1, and November 1). Please submit articles in publishable form. While I will attempt to edit them, I can't guarantee that I will catch every error (or that we have the same writing style). Please email submissions to me no later than two weeks prior to the deadline if you are in need of a proofreader. That will provide enough time to edit and/or suggest

revisions if necessary. There is no specific length requirement. Every submission will be read and considered.

I would love to have a large print run, but that isn't possible at this time. Until it is possible, I encourage interested parties to print and distribute copies. While it's not necessary, I ask that you contact me if you plan to do this. The pdf will be distributed freely and hopefully widely.

Also note that this is a *Beta Issue*. The submissions are top notch, but the format is a work in progress. Graphics posed a problem for this issue. At the end I kept them even though the quality for many were poor. Fault lies with the editor (me) and not the authors. I used Scribus, an open source desktop publishing program to layout this issue. I will be exploring other options for the next issue. Please contact me if you have any suggestions.

Letters/feedback are encouraged. In fact, response articles are encouraged. Symposium styled issues will be published in the future.

Donations/trades are accepted. There is also limited ad space available. Contact me to work something out.

Thanks for reading.
Chris Lempa
chris@chrislempa.info

completed as efficiently as possible, various firms should be allowed to submit designs and bids. This process needs to be completely transparent. Transparency is a critical issue and cannot be stressed enough. Sustainable development, in order to be effective, must be designed according to the natural characteristics unique to that specific area.

Aside from sustainable development, Mutual Aid Organizations (MAOs) must also play a critical role. In a brilliant article written shortly after Hurricane Katrina, Trevor Simons explained that it is essential to have MAOs set up so that we are not relying on bureaucracies for help when disaster strikes.

I could paraphrase Simons or explain the theories of mutual aid, but I feel that it would be best to quote Simons at length.

We must organize grassroots evacuation, reconstruction and medic teams, prepared to respond to potential disasters in our communities. We must foster the values of mutual aid and independence from the state when these disasters strike.

We should have networks between communities in case of evacuation: housing, food, medical supplies and clean water should be a phone call away. We can work with existing neighborhood, community, religious organizations and schools where possible. Trainings should be held for basic first aid certification and street medic skills. Lists of available shelters and resources should be made available in every community. If evacuation is necessary, familiar places should be used for meeting to arrange carpools, or if arrangements can be made, buses. (Our Failure, <http://www.zmag.org/znet/viewArticle/5460>)

In other words, we must rely on ourselves and our communities to prepare and recoup after disasters, both natural and human-made. MAOs will vary from community to community based on varying needs. They will also be able to help out in neighboring communities when necessary. A network of MAOs will be much more efficient than relying on the federal government or profit seeking corporations.

MAOs will not function flawlessly, especially at first, but they are an innovative solution to common, everyday problems. An example that a lot of people can relate to is the volunteer fire department. This is an example of an MAO-style organization. The way each MAO runs will differ based on those involved and the needs of those they serve, but their basic role will be similar to volunteer fire departments, which play a crucial role in so many towns throughout the country. *Voluntary City*, a book published by the free market think tank Independent

The first step would be to keep the United States Army Corps of Engineers (USACE) as far away as possible. Ideally, the USACE should be disbanded since it has caused much more harm than good. It is a bureaucratic entity and is very vulnerable to political trends and whims. For instance, George W. Bush would have been able to attack the USACE's budget and programs even if Bill Clinton had allocated full funding for those projects. That is a major problem. There are plenty of independent architecture and engineering firms that focus on sustainable building that can replace this antiquated agency.

The next step would be to invite community leaders, local entrepreneurs, architects, engineers and concerned citizens to draw up a comprehensive plan of their ideal city, in which the importance of wetlands as a natural barrier must be stressed. A November 1, 2005 *BBC* story reported, "coastal scientists have been arguing for years that the re-engineering of the delta was leaving the population living there dangerously exposed to storm surges created by hurricanes."

It is no coincidence that one of the most devastated areas in New Orleans, St. Bernard Parish, lies just south of the Mississippi River Gulf Outlet (MRGO). The MRGO is a canal that drives straight through an area of dense swampland, and local people have been campaigning for years to get it closed, claiming that it provided a 'hurricane highway' which threatened the communities east of the city.

As the Winter 2006 issue of *OnEarth Magazine* reports, "wetlands help control floods, filter toxins and impurities from water, and support migratory birds. If Louisiana's coastal wetlands had remained intact, the devastation from Katrina would have been less severe." In other words, the loss of wetlands are responsible for much of the damage.

The importance of local wetlands would not be lost on those with a vested interest in the community. Local entrepreneurs, community leaders, etc., have more of a natural interest in a soundly rebuilt New Orleans. This only makes sense considering that they would not only be involved in commerce in the city, they would also be living there. Of course, it would also make sense to look at new and innovative forms of architecture. While there is something to be said about the beauty of Victorian and Baroque architecture, it is very likely that other forms are more suitable for the Gulf Coast's natural environment.

Since some areas need to be completely rebuilt, it only makes sense to look at new and cutting edge forms of architecture, commerce, etc. To ensure that this process is

Libertarianism: Left or Right?

by Sheldon Richman

My own notion of politics is that it follows a straight line rather than a circle. The straight line stretches from the far right where (historically) we find monarchy, absolute dictatorships, and other forms of absolutely authoritarian rule. On the far right, law and order means the law of the ruler and the order that serves the interest of that ruler, usually the orderliness of drone workers, submissive students, elders either totally cowed into loyalty or totally indoctrinated and trained into that loyalty. Both Joseph Stalin and Adolf Hitler operated right-wing regimes, politically, despite the trappings of socialism with which both adorned their regimes....

The far left, as far as you can get away from the right, would logically represent the opposite tendency and, in fact, has done just that throughout history. The left has been the side of politics and economics that opposes the concentration of power and wealth and, instead, advocates and works toward the distribution of power into the maximum number of hands.

—Karl Hess, *Dear America*

Is libertarianism of the Left or of the Right? We often avoid this question with a resounding "Neither!" Given how these terms are used today, this response is understandable. But it is unsatisfying when viewed historically.

In fact, libertarianism is planted squarely on the Left, as I will try to demonstrate here.

The terms were apparently first used in the French Legislative Assembly after the revolution of 1789. In that context those who sat on the right side of the assembly were steadfast supporters of the dethroned monarchy and aristocracy — the *ancien régime* — (and hence were conservatives) while those who sat on the left opposed its reinstatement (and hence were radicals). It should follow from this that libertarians, or classical liberals, would sit on the left.

Indeed, that is where they sat. Frédéric Bastiat, the radical *laissez-faire* writer and activist, was a member of the assembly (1848–1850) and sat on the left side along with Pierre-Joseph Proudhon, the "mutualist" whose adage "Liberty is the mother, not the daughter, of order" graced the masthead of *Liberty*, the newspaper of the American libertarian and individualist anarchist Benjamin Tucker.

(Proudhon is also famous for saying, "Property is theft," but the full context of his work makes clear that he meant absentee ownership resulting from state privilege, for he also wrote, in *Theory of Property*, "Where shall we find a power capable of counterbalancing this formidable might of the State? There is no other except property.... The absolute right of the State is in conflict with the absolute right of the property owner. Property is the greatest revolutionary force which exists.")

From early on libertarians were seen, and saw themselves, as on the Left. Obviously, “the Left” could comprise people who agreed on very little — as long as they opposed the established regime (or restoration of the old regime). The French Left in the first half of the 19th century included individualists and collectivists, laissez-faire free-marketeers and those who wanted state control of the means of production, state socialism. One could say that the Left itself had left and right wings, with the laissez-fairists on the left-left and the state socialists on the right-left.

But however you slice it, libertarianism was of the Left.

Left, Right, and the state

Left and Right did not refer merely to which side of the assembly one sat on or one’s attitude toward the regime. That attitude was a manifestation of a deeper view of government. The Left understood that historically the state was the most powerful engine of exploitation, although the various factions disagreed on the exact nature of exploitation or what to do about it. Marx had no monopoly on the idea. On the contrary, he appropriated it (then degraded it) from the early 19th-century bourgeois radical liberals Charles Comte and Charles Dunoyer, who first formulated the theory of class conflict. In the liberal version two classes (castes) arose the moment government engaged in plunder: the plunderers and plundered. The plunderers were those who used the state to live off the work of others. The plundered were those the fruits of whose labor were stolen — all members of the industrious classes, which included those in the marketplace who produced and exchanged peacefully and who were not themselves plundering others. (Marx changed the Comte-Dunoyer thesis for the worse by moving employers with no links to the state from the industrious to the exploiter class. This related to his labor theory of value, which divided groups on the Left, an interesting issue that is beyond the scope here. For more, see my article “Libertarian Class Analysis,” *Freedom Daily*, June 2006.)

Thus the Left was identified with the liberation of workers (broadly defined). Today we don’t associate libertarians with such a notion, but it was at the heart of the libertarian vision. You can see it in Bastiat, Richard Cobden, John Bright, Thomas Hodgskin, Herbert Spencer, Lysander Spooner, Tucker, and the rest of the early liberals who never failed to emphasize the role of labor in production.



Pierre-Joseph Proudhon

since 1970 with one of the original overall “editors” still active in it, Erwin “Filthy Pierre” Strauss.

9. The November 1972 issue of *New Libertarian Notes* cover story was a debate between LP Founder David Nolan and anti-party “radical caucus” [always lower cased] founder Samuel Edward Konkin III. By 1974, several State party newsletters contained debate and discussion on the party’s consistency with principle. Those editors who did not defect to the New Libertarian Alliance were purged.

10. “Agent for Anarchy” (1971) the first Rann Gold story, preceded agorism but the sequels, “The Statesman” (1973) and “Dragon’s Bane” (1975), were progressively more influenced by it, and the background history was not set until the third. All were published in *New Libertarian Notes* and its successor, *New Libertarian Weekly*. Since those early attempts to fill the demand for hard-core libertarian science-fiction, the Market took an invisible hand, and Neil Schulman, Victor Koman, L. Neil Smith, Brad Linaweaver and many others actually found aboveground publishers to pay them for the stuff.

11. Some excellent studies were done by Dmitri Simes and his son.

Sustainability, Mutual Aid, and Liberation

by Chris Lempa

Originally published in *Black Oak Presents*, Winter 2009 (www.blackoakmedia.org)

“The mutual-aid tendency in humans has so remote an origin, and is so deeply interwoven with all the past evolution of the human race, that it has been maintained by mankind up to the present time, notwithstanding all vicissitudes of history.” - Peter Kropotkin, Mutual Aid

“Mutual aid is neighbor (government to government) helping neighbor when there is a need for additional resources, people, equipment, etc.” - Pinellas County Auxilliary Communications Service

With natural disasters turning cities into ruins, now is a good time to think about the rebuilding process. Initially I agreed with [former] Speaker of the House Dennis Hastert that rebuilding the disaster-prone area didn’t make much sense, but I have changed my mind. Done correctly, New Orleans, Louisiana; Greensburg, Kansas; and other devastated cities can become models of sustainable development and Mutual Aid. This article will focus, loosely, on New Orleans post-Hurricane Katrina.

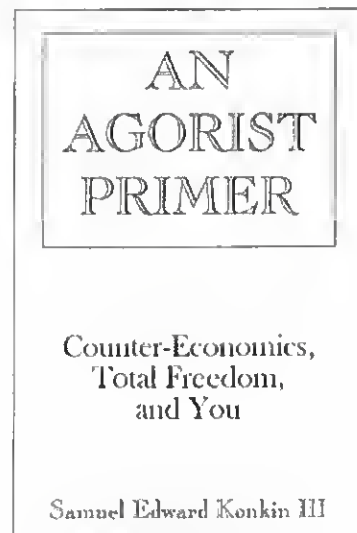
And what about that new Power Mac equipment to hook up to the Video Toaster? Is traditional publishing enough or should it be supplemented – or supplanted – by full-scale video production passed along by videotape – or hurtled through the Internet like “Breaker, breaker” trucks on the information superhighway? Should AQ continue to appear on paper, or in .PDF on-line files as *New Libertarian* magazine is now doing?

Now it is the “Rightist” Militia instead of New Left cadre blowing up federal buildings and protesting massacres of peaceful women and children, but fighting for freedom against the American Empire is turning serious again. In an important way, our Nineties are like the Sixties: we don't know where we're going to end up, but we know we're on our way. Or, in 90's parlance, as our children's spokesperson would say, when asked about “the future,” agorists answer, “The Future? *We're there.*”

Visit www.agorism.info for more information on SEK3 and agorism in general.

End Notes

1. . . .by which I mean November 1963 to August 1974.
2. See, especially, *Human Action* in any of its numerous editions.
3. Power and Market, his “completion” of Man, Economy and State (which itself was a rewrite of Human Action) had just come out.
4. Thus, as I reflected back to Murray around 1971, “You mean, we're not classical Liberals, we're classical Radicals!”
5. Their work is long out of print.
6. *The Market for Liberty* (1970) was reprinted by Fox & Wilkes (of Center for Independent Thought which runs Laissez Faire Books) in 1993.
7. *The Machinery of Freedom* has been both reprinted and revised. Naturally, it is the least hard-core of the three.
8. An “APA” or amateur press association based on the science-fiction fanzine concept collating several contributors publications without editing, it has survived

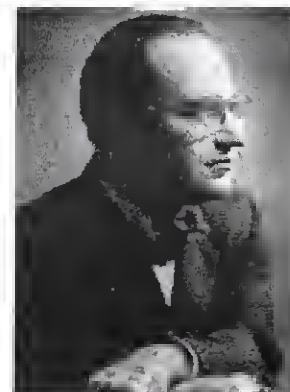


It is worth pointing out here that the word “socialism” also has undergone change from earlier days. Tucker, who proudly accepted the description “consistent Manchester man” (Manchesterism denoted the laissez-faire philosophy of the English free-traders Cobden and Bright), called himself a socialist. “Capitalism” was identified with state privileges for owners of capital to the detriment of workers, and hence was despised as an exploitative system. Interventions such as taxes, regulations, subsidies, tariffs, licensing, and land policy restricted competition and hence limited the demand for labor as well as opportunities for self-employment. Such measures reduced labor's bargaining power and depressed wages, which for the Left libertarians constituted state-sponsored plunder. Their solution was a thoroughgoing laissez faire, freeing competition and maximizing workers' bargaining power. (Unions were seen as a way for workers to help themselves, at least until laissez faire could be ushered in. Later, the big government-connected unions were suspected of being part of an effort to co-opt the labor movement and lull it safely into the establishment.)

Libertarians also showed their Left colors by opposing imperialism, war, and the accompanying violations of civil liberties, such as conscription and arbitrary detention. (See, for example, the writings of Bastiat, Cobden, and Bright.) Indeed, they didn't simply condemn war as misguided; they also identified it as a key method by which the ruling class exploits the domestic industrious classes (not to mention the foreign victims) for its own wealth and glorification. Libertarianism and the anti-war movement went hand in hand from the start.

Modern-day libertarianism

That libertarianism is not perceived today as it was in the 1800s – even, alas, by most libertarians – is the result of several factors that sent the earlier movement into decline. As a result, movements not always dedicated to individual liberty have stepped into the breach, leaving libertarianism to look like a quirky branch of conservatism. Murray Rothbard discusses that decline in his classic essay “Left and Right: The Prospects for Liberty,” which should be read by anyone with an interest in this subject. (See also Roderick Long's lecture, “Rothbard's ‘Left and Right’: Forty Years Later,” online at the Ludwig von Mises Institute website).



Murray Rothbard

Rothbard writes,

Thus, with Liberalism abandoned from within, there was no longer a Party of Hope in the Western world, no longer a "Left" movement to lead a struggle against the State and against the unbreached remainder of the Old Order. Into this gap, into this void created by the drying up of radical liberalism, there stepped a new movement: Socialism. Libertarians of the present day are accustomed to think of socialism as the polar opposite of the libertarian creed. But this is a grave mistake, responsible for a severe ideological disorientation of libertarians in the present world. As we have seen, Conservatism was the polar opposite of liberty; and socialism, while to the "left" of conservatism, was essentially a confused, middle-of-the-road movement. It was, and still is, middle-of-the-road because it tries to achieve Liberal *ends* by the use of Conservative *means*.

In other words, state socialism (as opposed to Tuckerite free-market socialism) promised prosperity and industrialization (liberal ends) through government control of the means of production (conservative means). This is sometimes known as the Old Left, because the New Left, or at least aspects of it, was more skeptical of large-scale industrialization.

What I've presented here should confirm the early libertarians' leftist bona fides. Moreover, these distinctions carried over into the early twentieth century. For example, H.L. Mencken and Albert Jay Nock, who were individualist libertarians by any standard, were regarded as men of the Left in the 1920s. But by the next decade, they and their allies were perceived as being on the Right. Too often libertarians placed themselves there and embraced their conservative "allies."

Part of the reason for this comes from the temptation to believe that the enemy of my enemy is my friend. When state socialists attacked the market ("capitalism") as part of their criticism of America, the right wing, the conservatives, defended economic freedom rhetorically (while usually ignoring the corporatist features of capitalism in order not to alienate their business allies). The rhetoric made them appear to be comrades in arms with the libertarians, many of whom accepted them as such. It was an unfortunate error because from then on libertarianism looked like a defense not really of economic freedom, but of the existing corporate-state alliance. Libertarianism thus moved to the Right, and libertarians (with exceptions) were happy to think of themselves that way.

As a consequence, the movement gives the impression that the free market equals the prevailing state capitalism. To be sure, libertarians protest taxes, regulation, and even business subsidies, but they too often defend particular actions by particular businesses (oil companies, for example), forgetting that business today is the product of years of corporatism. (This memory lapse is what "free-market anti-capitalist" writer Kevin Carson calls vulgar libertarianism.) The classic example is Ayn Rand's much-ridiculed essay, "America's Persecuted Minority: Big Business." (But it is clear from *Atlas Shrugged* that she understood what corporatism is.) The impression is reinforced by the disproportionate amount of effort given to denouncing welfare for poor people and the

moment newsletter of the primary concern, *Counter-Economics*. The test or preview issue, #0, follows this journal.

The world has changed in a second decade – but, strangely enough, the Russian *nalevo* market is still there to study after the Second Revolution – only this time, we will not be able to rely on CIA-sponsored published accounts¹¹. How will the European Counter-Economy, particularly the Black Labor market, fare with the dropping of borders? What about Canada's and Mexico's "informal" economies with the passage of NAFTA? Is Hernando de Soto's El Otro Sendero going to win over Abinael Guzman's Sendero Luminoso, especially after betrayal by de Soto's alleged political (partyarch) disciples, Mario Vargas Llosa and then Alberto Fujimori? Recently, the former Comandante Cero of the Tercerista (uncompromising) faction of the Sandanistas, Eden Pastora, chose the agorist Karl Hess Club to announce his candidacy for President of Nicaragua.

And what about the United States? How does all of the above affect America's counter-economic foreign interface [academic for "the smuggling industry"]? What effect will Clinton's State medicine do to the health-providing service? Will all medical treatment end up like 1950's abortion, and will people grab free needles at the AIDS-prevention center to give to their black doctors for unauthorized immunization of their children who cannot wait their "turn" (due after their scheduled death, as in Canada and England)?

Every issue in today's press from Bosnia to Oklahoma City has an overlooked Counter-Economic component that AI can explore, compile and publish. Other areas can be excavated from the underground that will *become* issues once exposed and explained, and then there is the new battleground for agorists and statist: cyberspace, where cypherpunk agorist road warriors have an early lead over the Gore statist superhighwaymen.

But, finally and overall, the issue needing the most attention is that of agorism itself. To the extent that it is "agorology" and not just ideology, what is and should be its methodology? We most urgently invite our newly awakened and empowered students of agorism and multi-disciplinarians of counter-economics to contribute their first – and second – thoughts on the subject. Are some methods out of bounds in agorism that are academically acceptable, for example? Or are some methods acceptable in counter-economic study that are unacceptable to academic researchers? Can we *wertfrei* when we are obviously attracted to the Black as Departments of Marxist Studies are to the Red? Should there be *competing* methodologies? (In case there was the least doubt, AI encourages one, two, many agorist foundations.)

disobedience profitably, dodging taxes and regulations, having lower costs and (potentially) greater efficiency than one's statist competitors – if any. For many goods and services could only arise or be provided counter-economically.

In 1975, the New Libertarian Alliance left their campuses and aboveground “white market” jobs and went full-time counter-economic for a decade to prove the strategy's viability. In 1980, the long-delayed New Libertarian Manifesto was issued to those into party politics or other forms of hopelessness.

Agorism Today

Surprisingly little systematic research has been done in counter-economics since the agorist discovery a decade after the immersion of the agorist cadre. They surfaced to find a changed political landscape. It had been expected that their more-timid allies would stay aboveground to conduct officially-sanctioned research, but that failed to happen for now obvious institutional reasons. Hence, determined to report their findings, take advantage of freedom of the press and academic freedom to do so, and, incidentally, raise families, the publishing cadre formed the Agorist Institute in the libertarian-rich American Southwest at the end (symbolically) of 1984. The rest of the history of agorism is the history of The Agorist Institute's trials and tribulations (which will presumably be published someday). AI flourished at the end of the 1980's, hitting its nadir as counter-economics – if not full agorism – swept the globe and tossed socialism into the dustbin of history.

The Future of Agorism

Unlike in the Counter-Economy itself, agorists had a problem with market feedback operating aboveground, especially in the almost-market-devoid realm of tax-deductible, educational foundations – a fund devouring unreality forbidding enough to consume a fat chunk of the Koch family fortune and spit out Charles and David. Although receiving some financial support from mid-range successful entrepreneurs, AI attempted to do it all: research support, classes, seminars, academic conferences and publication of journals and newsletters (internal and external). (All the staff had additional jobs or businesses to support themselves.)

Hence, the 1995 revival also marks the AI'S tenth anniversary and the long-awaited and delayed publication of this quarterly. Once again, we embark on studying the vast iceberg below the tip – the Counter-Economy – and report our findings. To avoid our previous pitfalls, AI is focusing on three self-supporting (in short order) publications: AQ, the already-appearing but infrequent *New Isolationist*, and new moment-by-

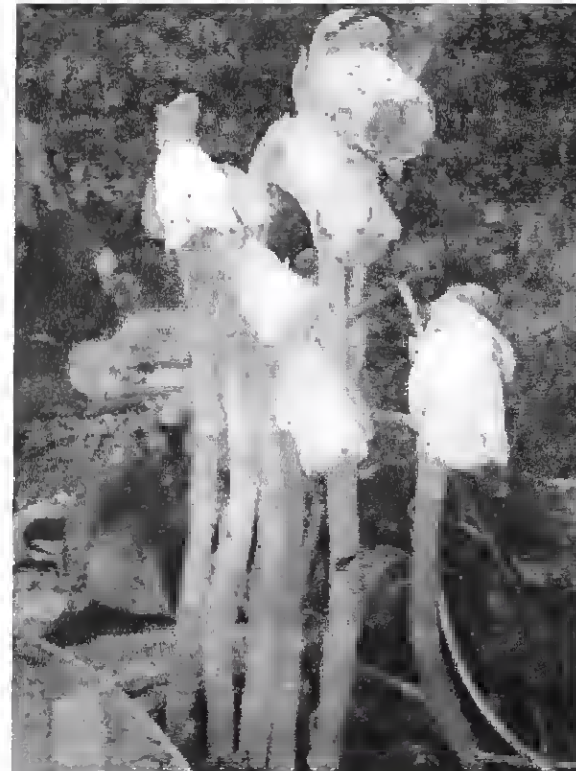
relatively scant time devoted to opposing corporate welfare.

Needless to say, all of this has robbed the movement of its vitality and hence its recruitment potential.

Much more could be said on this subject. A search on the Internet will quickly turn up a great many relevant writings by modern libertarian writers, besides Carson and Long, on libertarianism's left-wing roots. Suffice it to say here that if the movement is to again inspire the victims of government power, it will need to rediscover those roots.

*Sheldon Richman is senior fellow at The Future of Freedom Foundation, author of **Tethered Citizens: Time to Repeal the Welfare State**, and editor of **The Freeman** magazine. His blog, *Free Association*, can be found at www.SheldonRichman.com.*

*This article originally appeared in the June 2007 edition of **Freedom Daily**. Reprinted with Permission.*



“In all institutions from which the cold wind of open criticism is excluded, an innocent corruption begins to grow like a mushroom - for example, in senates and learned societies” - Friedrich Nietzsche

Mushrooms are an interesting organism. Not only are they tasty, but many medicinal properties are also associated with mushrooms (see *New Antiviral Drugs from Mushrooms* by Paul Staments, www.fungi.com/info/articles/antiviral.html).

Whatever Happened to Political Philosophy?

By Al Date

The men and women who founded the USA were avid students of political philosophy, if not philosophers in their own right. People seemed to realize that ideas preceded actions, and that philosophy guided the formation of ideas.

So, the Physiocrats were the rock-stars of the era. It took intellectual ammunition as well as gun-powder to beat back the historically-entrenched forces of aristocracy. A "conservative" was one who believed that there should be a King. A "liberal" was one who believed that government could be constituted without an aristocracy.

Today, we still use the labels which applied to bygone political eras, but the meanings have morphed so as to be unrecognizable to the Founders (if they were somehow available for comment). And the two major US political parties are completely irreducible, philosophically speaking.

Democrat philosophy vs Republican philosophy? Talk about an oxymoron! There is no philosophical coherence in the major parties. A decade or two ago, the Republicans were known as the party of peace and fiscal responsibility. The Democrats were known as the party of the working people who somehow got sucked into wars. By the Year 2000, the party of Ike and Reagan had become the party of neo-conservative budget-busting war-mongers, and the party of FDR/Truman/Kennedy had become the party of welfare-bashing and the deregulating of high-financiers. Just as capital was freely flowing across borders, so were investments into political coffers.

But this is nothing new. Big money has been a problem in US politics since Day One. Political parties based on philosophy, such as the Whigs, all died out. Political parties based on greed flourished. The only consistent philosophy to be found in the Democrat and Republican parties is the application of financial self-interest. Some would question whether that is a philosophy at all. Not surprisingly, the electorate is disgusted with politics as usual and only gets excited about philosophical side-issues like the right to an abortion, or the right of homosexuals to marry, or the use of eminent domain for private profit. Or the right to keep and bear arms. Or the right to clean air and water.

So, there is always room for minor political parties which are more philosophical and

LP on the political map. It turned out to be the high point of the LP's success, but with the Fran Youngstein for Mayor Campaign in 1973, conservative and radical libertarians mingled and then repolarized. The crucial debate of 1974 was no longer anarchy vs. minarchy, but partyarchy vs. agorism⁹.

The anti-party majority argued that working within the political system had failed for two centuries. The new "party anarchists" or *partyarchs* argued that nothing else had worked (everything else, presumably, had been tried in the Sixties). At least they had a strategy. Furthermore, it could be perceived to work in stages and even increments as a law was repealed here or a tax there. Of course, in the twenty years of the LP's existence, no "retreat of statism" has been noticeable.

The anti-party libertarians were forced to choose between yet another paradigm shift to respond (remember, most had been radicalized from conservatism to near Weathermen) or give up. Those who remained in the fight with their new analysis and corresponding strategy took the name of the market to oppose themselves to political parties and statism - *agora*. The new paradigm of the agorist was called (in tribute to the then-fading Counter-Culture) Counter-Economics.

Counter-Economics is the study and practice of the human action in the Counter-Economy. The Counter-Economy is all human action not sanctioned by the State.

Just as Quantum Mechanics arose by theoretical chemists and physicists refusing to ignore the paradigm-breaking experiments, and Relativity arose from Einstein's acceptance of the

The Counter-Economy is all human action not sanctioned by the State.

Michelson-Morley results, Counter-Economics arose as a theory by taking into account what all standard economics either ignored or downplayed. Just as light tunneled out of Hawking's black holes, human action tunneled under the control of the state. And this underground economy, black market, *nalevo* Russia turned out to be far, far too vast to ignore as a minor correction.

In the earliest agorist-influenced science-fiction in 1975, the story¹⁰ predicted the USSR would fall to counter-economic forces by 1990 and soon thereafter turn into such a free-market paradise that it would be invaded by the statist world lead by the imperialist U.S. (as this article is being written, the last of that prophecy would come to pass).

The Counter-Economic alternative gave the agorists a devastating weapon. Rather than slowly amass votes until some critical mass would allow state retreat (if the new statists did not change sides to protect their new vested interests), one could commit civil

driven out of politics by the establishment-medium distortions of his - their - positions. Some turned on, tuned in, and dropped out.

The rest of us pursued what Europeans call so diplomatically *extra-parliamentary politics*. Rothbard and his "East Coast" libertarians pursued an alliance of alienated "Old Right" and "New Left" for a classical revolution. Robert LeFevre and his "West Coast" libertarians pursued a civil-disobedience stance: non-participation in state-sanctioned politics, particularly elections and office-holding, coupled with education and activism to expand refusal until the State could no longer function. By 1969, the Weatherman tactic of exacerbating State violence with its own to accelerate revolution drove Rothbard to give up his Ultra Left-Right coalition dream, and support peace candidates. LeFevre remained anti-collaborationist until his death in 1986, but civil disobedience and pacifism went out of fashion in the mid-1970s.

Origins of Agorism: Counter-Economics

Thus, when agorism appeared, there were several questions to be dealt with beyond the answers of then-current Austrian Economics and libertarian politics:

Q: Can the State be praxeologically dispensed with?

A: Answering that affirmatively, as both Rothbard and LeFevre and several others did...

Q: How?

A: Richard and Ernestine Perkins⁵, Morris and Linda Tannehill⁶, and David Friedman⁷ and the many contributors to *The Libertarian Connection*⁸ gave early answers as to how the market could provide protection agencies which would be competitive - eliminating the problem of the inherent coercion of the State. Unable to regulate or tax, able to act only when paid for and asked to protect or reclaim property, the agency solved the problem of intervention against subjective-valuing human actors. Arbitration would replace magistration for justice - or at least settling rival claims.

But none of them describe the *path* of getting from here (statism) to there (stateless marketplace or agora). Assuming market entrepreneurs would find a way, the strategy for achieving liberty was left as an exercise for the readers.

In the same 1972 U.S. Presidential election where the power elite did to George McGovern and the non-revolutionary anti-war left what they had done to Barry Goldwater, a new party emerged. Although the Libertarian Party received a miniscule percentage of the vote and was ignored by everyone from Rothbard to LeFevre, a rebel elector in Virginia bolted Nixon's overwhelming majority to put John Hospers and the

ideologically-focussed. The Greens, Libertarians, Reform, or American Independents each have a set of common beliefs which unite their small numbers. There might be many more "numbers," electorally speaking, but the winner-take-all political system is rigged against minor parties. Even when Ross Perot garnered 20% of the popular vote, Reform got zero electoral votes and no senators nor representatives. Political philosophy in government had attained a small resurgence under Reagan, which also blew Perot's coattails, but it has been in decline ever since. Perhaps the Obama-non is in some respect a cry for a return to intelligent political thinking as a way to somehow get us out of the mess we are in.

Right, Left, Liberal Conservative—today, these have become shaped by media stereotypes more than by actual ideologies. Americans have replaced ideology with media entertainers who bash strawmen of the opposite ilk. Conservatives love Limbaugh, O'Reilly and Ann Coulter, who bash the liberals as "fiscally-idiotic authoritarian whining elitists," while liberals identify with Michael Moore and Al Franken, who bash the conservatives as "unfeeling authoritarian moralist hypocritical interlopers." "Liberals feel but they don't think" while "conservatives think but they don't feel." This all seems to be more about personality traits and style than it is about political philosophy. And lots of folks are just looking for a scapegoat. So the bashing of straw-men has become the daily routine on the cable networks.



The Nolan Chart,
www.nolanchart.com

But the actual core ideological liberals and conservatives have much more in common than they would care to admit: They are all ardent moralists; willing to apply their personal morality in the civic law, and to use the force of law to protect those whom they deem to be in need of protection. It is just a question of "who needs to be protected." Conservatives seek to protect the unborn, while liberals seek to protect the poor/disadvantaged. They all want to protect children. You might be amazed at how much heat gets generated over so little a difference, but that's what we are left to argue about. By the way, GWB's sole contribution to political philosophy was the concept of Compassionate Conservative (which was never funded nor taken seriously after 9/11.) Today, Right is conflated with Conservative, and Left is conflated with Liberal. But "left-liberals" and "right-conservatives" all devolve into de facto authoritarians when they rush

to the government to aid their causes.

On the other hand, Libertarians can be broadly defined as those who are philosophically opposed to the use of government power. Of course, that makes them "odd men out" in a city of influence-peddling and power-brokerage like Washington DC.

It's like the snowball's chance in hell. The only time the mainstream hears Ron Paul is when things go desperately wrong and a major paradigm is called into question. Perhaps deTocqueville was right when he warned that once an electorate learns that it can vote itself the public purse, democratic government is on the way out.



Alexis de Tocqueville

So what is a left-libertarian? We have some idea what left means, but what exactly is a libertarian?

In the 1970's, disaffection with war, conscription, inflation, and Nixonian government abuses was running high among Americans. And Ayn Rand was on the best seller list; a major philosophical influence.

In 1973, a group of "libertarians" defined themselves across two broad categories: Social and Economic. They held that:

To be socially libertarian is to uphold individual rights to religion, expression, gun-ownership, freedom of association, and to infer broad privacy rights including consensual sex and abortion. It calls for personal responsibility for adult choices. It amounts to reiterating the first ten (or fourteen) amendments to the Constitution, with reservations about some of the amendments which followed.

This core social-libertarian stance was relatively uncontroversial, as it represented an established body of American law. It was basically constitutionalist; ie., concerned with confining the powers of the federal government to those enumerated in the Constitution (while bemoaning the fact that the 16th Amendment was made part of it). (And a few years later, the right-to-life libertarian contingent began challenging the right to abortion contingent.)

On the other hand, to be economically libertarian was to adhere to the idea that Ayn Rand's concept of free-market capitalism was an "unknown ideal." Ayn Rand had a

subjectively valued for something of less value?

A: Because that one-thousandth unit of the seemingly more valuable is less subjectively valuable than the first unit of the seemingly lesser. Who would consider it folly to trade one's hundredth loaf of bread for a first diamond? Utility is marginal.

Q: Why do we have money?

A: Facilitate trade, keep quantitative accounts, make change and store value.

Q: From where does money come?

A: It arises from commodities exchanged more and more as a middle or medium of exchange.

Q: Can government improve on money?

A: No, it is strictly a market function.

Q: What is the result of government intervention anywhere in the market?

A: Government is force, however legitimized and accepted; all force prevents subjective value satisfaction, that is, whatever human actors voluntarily give up and accept is, by their personal subjective (and unknowable to others) understanding, the best informed [*suspect Konkin possibly meant to write "possible" rather than "informed" .. ed.*] outcome to them. Any violence that deters their exchange is counter-productive to all the exchanges and to those whose exchanges depend on theirs - that is, violent intervention is a *universal* disutility in the market.

Mises thus concludes that all coercion - and that includes government action - is not just anti-market but *inhumane*. Not bad for value free assumptions! Röpke (author of *Humane Economy*), Hayek, and even Mises felt that once private force or that of another state entered the marketplace, government counter-force was justified for rectification. Furthermore, none could conceive of any other way to deal with humane protection.

Enter Murray Rothbard... and Robert LeFevre.

Origins of Agorism: Anti-Politics

Between 1964 and 1974, the entire political spectrum save for a sliver of "liberal" machines in the Democratic and Republican parties were intensely alienated from politics. The moderate Left had their hopes dashed by Kennedy's assassination and looked further Left; the moderate Right pinned their hopes on Goldwater and were

Mises, though adored by radical rightists from Ayn Rand to Robert Welch, died calling himself a Liberal, though a 19th century Hapsburg Austrian Liberal, to be sure. Rothbard, with his academic historian allies Leonard Liggio and Joseph Peden, insisted that Austrianism went beyond the tepid classical liberalism being revived by the Milton Friedmans; it demanded not merely limited, constitutional, republican government – it required none at all⁴.

How could Röpke counsel Christian Democrat Kanzler Konrad Adenauer and Birchers love Mises when Rothbard preached outright anarchy? The answer lay in praxeology's crucial concept of *wertfrei* – value free. As many critics later pointed out – even friendly, libertarian ones – economics assumed some values at various levels, such as to take the most blatant example, economic study itself. Nevertheless, suppressing conscious valuation allowed Mises to make a far more penetrating analysis devastating to all political illusionists of his time – but also allowed his theory to be sold in amputated parcels by selective opportunists and bought by well-meaning but narrow-focused activists.

The true meaning of Misesian “Austrian Economics” continues to be hotly debated in the Journal of *Austrian Economics*, *Critical Review*, and libertarian movement journals, but what concerns us here is what it was perceived as being at the founding of Counter-Economics.

Origins of Agorism: Counter-Economics

Austrian economics answered questions.

Q: Why do we value and how?

A: It is inherent in everyone and it is subjective.

Q: Why do we give up anything at all ever?

A: Because we subjectively value A more than B while some Other values B more than A. We do not relinquish; we acquire a greater value.

Q: But why would anyone give up something that is universally (or as close as possible)



profound impact on economist Murray Rothbard, who was the economist of the modern libertarians, and he wrote the LP platform). There was no provision made for public money. There was no distinction made for public works, nor for infrastructure, nor for public resources such as air land and water vs private property. It was assumed that everything public could and should be privatised, and that the government would whither away to nothing under the free market utopia. All regulation was unnecessary or evil. All issues of environmental pollution could be resolved in the civil courts. Competition provided by free markets would prevent monopolies. Monopoly was, in fact, a product of government and not of markets. Natural monopolies, hogwash. And back to the gold standard for the dollar.

Needless to say, this economic platform of the Libertarian Party was highly controversial, not only among the electorate, but among all but a handful of economists. It gradually became an embarrassment for thoughtful libertarians.

Looking back, it seems like a pipe-dream or a macho-flash in the form of an economic manifesto. Rothbard used his position in the LP to elevate Rand non-fiction to the level of economic gospel. Over time, this has made it rather easy for libertarians to be labelled as extremists, and ignored. There is no doubt that Rand and Rothbard were “of the right,” so it is fair to say that the LP platform is right-libertarian, due to its economic baggage.

Over time, many alternatives to Rand-Rothbard economics have emerged, which are far better suited to libertarianism.

Perhaps the word is “re-emerged,” as libertarians explored the philosophical roots of their movement, and found that classical liberal economics are much deeper and wider than the LP platform might indicate.

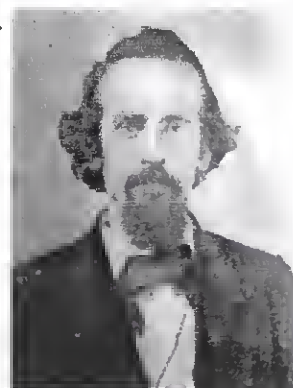
John Locke re-emerges as a founder of the revolutionary idea that human effort creates rightful private property. “If you create something, it belongs to you.” But the correlary, long forgotten by modern free market economists, is that land is to be used for the common good, since it is not produced by the labor of human beings, but provided by God or Nature. Thomas Jefferson and Thomas Paine were devout Lockians. Henry George came along a century later and practically convinced the entire civilized world

"It was assumed that everything public could and should be privatised, and that the government would whither away to nothing under the free market utopia."

that the only moral tax was one levied on land ownership. Since the market economy demands private uses of the common stock of land for production, it is logical and ethical that the land-users compensate the community NOT based on their income or sales or production, but on how much valuable land they arrogated to themselves. This is the philosophical nail in the coffin of the divine rights of land holders of the entire planet, the final conquest of Classical Liberalism over the aristocracy/Church.

This bold idea that land owners should pay for their privilege had far-reaching implications in the USA. It led to the Progressive Era, established county property taxes in every state of the Union, freed up land, led to affordable housing, and to massive local infrastructure improvements which benefitted the commonweal. But land and resource owners are nothing if not well organized politically, and they were gradually able to divert taxation onto other segments of the economy. Some of this "taxation" came in the form of the Federal Reserve System helping to stimulate speculative borrowing from central banks.

In the Roaring 20's, interest rates were held down and land again became a private speculative instrument, leading to the Great Crash and Depression of the 30's. During the Depression, unemployment hit 25% and the government bought out a massive amount of mortgages that were under water. 3 out of 10 banks went belly-up. Does this sound familiar?



Henry George

In the 1980's, Japanese banks set off a terrific land boom. At its peak, the value of real estate in the city of Tokyo exceeded the value of the entire United States. The subsequent crash resulted in what is now called the Lost Decade for Japan.

Back to the USA. 2004, yet another land boom is set off by a combination of loose real estate lending practices, low interest rates and creative financing encouraged by the Federal Reserve. The subsequent meltdown is still ongoing with no telling how bad things will get—and Alan Greenspan swears he was not to blame. Being a disciple of Rand, his ignorance of the wisdom of Locke and Henry George is his glaring Achilles Heel.

Elevating land prices gives rise to a FALSE sense of prosperity, which grossly misallocates capital. True prosperity comes from producing goods and services, not from a bigger fool coming along to buy land with borrowed funny-money. In fact, the

The Last, Whole Introduction to Agorism

by Samuel Edward Konkin III (SEK3)

Originally published in The Agorist Quarterly, Fall 1995, Volume One, Number One.

Edited by Brad Spangler

Agorism, unfortunately, needs an introduction.

Counter-economics and agorism were originally fighting concepts, forged in what seemed to be the ever-cresting revolution of 1972-73, and which proved to be the last wave instead. Revolutionary rhetoric or not, agorism arose in a time and a context where slogans required extensive published analysis and ongoing dialectic criticism with highly committed competing factions. Thus, when the crucible of "The Sixties"¹ had cooled, amongst all the garish Party pennants, Trashing rubbish, and exploded-Ideology ashes lay a hard, bright and accurate theory and methodology. Probably the first economically-sound basis for a revolutionary platform, agorism's market melted away before it could even get on the display rack.

Origins of Agorism: Background

The collapse of the Berlin Wall was prefigured twenty years earlier by the collapse of statist economics, particularly the Orthodox Marxism and liberal Keynesianism. With our release from those reigning dead economists, alternatives flourished from heretical "anarcho"-capitalism to deviationist Marxism – the more heretical and deviationist, the better. Thanks to the tireless efforts of Murray Rothbard, paleoconservative (Old Right) class theory and isolationism was grafted onto (or synthesized with) a free-market economics that was so pure it generated the same systemic shock as, say, modern Christianity discovering original, primitive Christianity.

Austrian School economics, particularly Ludwig von Mises' uncompromising praxeology², was, most appealingly, *uncompromising*. Furthermore, it required no patch-up or cover-up failures; in fact, in 1973-74, it successfully predicted the gold boom and the subsequent stagflation which so confounded the Official Court Economists. Mises died at his moment of triumph: Moses, Christ and Marx to the libertarian movement rising out of the ashes of the New Left and its dialectic opponent, the student Right.

Murray Rothbard was the Gabriel, St. Paul and Lenin. Rather than watering down praxeology to gain establishment acceptance and Nobel Prizes (as did Wilhelm Röpke and Friedrich Hayek, to name two), Rothbard insisted on radicalizing Austrianism still further³.

15. The role of the intellectual class as both a constituent group for statism and as the creators of the ideological superstructure of statism is discussed in Hans Hermann Hoppe, "Natural Elites, Intellectuals and the State", Mises Institute, July 21, 2006. Archived at <http://mises.org/story/2214>. Accessed on September 11, 2008. Of course, the concept of an ideological superstructure used to legitimize a particular system of class rule is most closely associated with Marxist analysis. For an examination of the differences as well as the points of agreement between Marxists and libertarians, see Hans Hermann Hoppe, "Marxist and Austrian Class Analysis", *The Economics and Ethics of Private Property* (Boston/Dordrecht/London: Kluwer Academic Publishers, 1993), pp. 93-110.

16. Murray Rothbard considered libertarians to be the far left end of the political spectrum, with "conservatives", i.e., proponents of an authoritarian order based on hierarchy, status, and privilege (and justified with appeals to tradition) to be on the far right, with Marxists and other socialists constituting an incoherent middle-of-the-road position. See Murray N. Rothbard, *Left and Right: The Prospects for Liberty*, (Cato Institute, 1979). The left-wing anarchist Larry Gambone's exhaustive examination of the thinking of the early socialists indicates that the original aim of socialism was not the state-run economies associated with socialism in contemporary political discourse, but an economy ordered on the basis of decentralized cooperative enterprises. Larry Gambone, "The Myth of Socialism as Statism", (Porcupine Blog, May 6, 2006). Archived at <http://porcupineblog.blogspot.com/2006/05/myth-of-socialism-as-statism.html>. Accessed on September 11, 2008.

17. Colin Ward, "A Self-Employed Society", *Anarchy In Action*, (London: Freedom Press, 1982), pp. 95-109.

18. Rudolf Rocker, *Anarcho-Syndicalism*, (Martin Secker and Warburg, Ltd., 1938); Hilaire Belloc, *The Servile State*, (The Liberty Fund, originally published in 1913); G. K. Chesterton, *The Outline of Sanity*, (HIS Press, 2002, originally published in 1927); Anthony Cooney, *Distributism*, (Third Way Movement Ltd., 1998).

19. Larry Gambone, *Proudhon and Anarchism: Proudhon's Libertarian Thought and the Anarchist Movement*, (Red Lion Press, 1996).

20. William Whyte, *Making Mondragon: The Growth and Dynamics of the Worker Cooperative Complex*, (ILR Press, 1991).

21. Ricardo Semler, *Maverick*, (Arrow Press, 1993).

price of land (and hence real estate) should be DISCOURAGED from rising, in order to keep it available to productive market forces, to allow new competition and to create job growth and to keep housing affordable. Expensive land, like expensive oil, is a tax on the entire economy. One way to keep land cheap and available is to collect the land rent for public use, and to eliminate other forms of taxation which weigh on the productive.

The Austrian and Chicago schools of economics have pretty much ignored the powerful ideas of Henry George and of John Locke, and allocated land as just another cost of production. Whether this was an accident of history or was somehow finagled by self-dealing landed interests, I leave to the economic historians to decide. Professor Mason Gaffney has produced ample evidence of a conspiracy to stifle Henry George – google: *The Corruption of Economics*.

In any case, Ludwig von Mises, in his voluminous manifestos, simply ignored the communal qualities of land. So Ayn Rand ignored it. And so Rothbard ignored it. The right-libertarians ignored it. Greenspan still has no clue, quite frankly. He is blind to the clear evidence of the gross misallocation of capital which occurs during great land booms, and the subsequent disasters to banks and to individuals. Greenspan is clearly stuck in a right-libertarian mindset. His blinders are so thick, that he cannot see the evidence of his own senses.

A left libertarian is any social libertarian or constitutionalist who questions the constricting economic gospel of Ayn Rand and Murray Rothbard. Perhaps they believe that public goods should be provided by some form of government. Perhaps they simply want to see citizens paid dividends for the exploitation of common resources.

Perhaps they are Georgists. Perhaps they are Greens. Perhaps they are leftists who have become disenchanted with abuses of government power or who have become aware of the proverbial unintended consequences. Perhaps they are "Cooperative Individualists." In short, a left libertarian is anyone who sees, like John Locke and all the Classical Liberals, that there is a valid public sphere for humanity, extending from the natural resources provided by God or Nature. (Right libertarians just say "Privatize it.") It becomes clear that left libertarianism (compared to right-libertarianism) is so broad that it may even dovetail with major aspects of the Green movement, which had suffered from the exact opposite philosophical problem. (That is, many Greens saw all human activity as a public problem (causing damage to the environment) with no room for necessary and beneficial private economic activity.)

It remains to be seen whether libertarians can regain their leftist heritage and throw off the untenable economic mantle of the right-libertarians. And it remains to be seen if Greens can learn the benefits of private property and of market economics. For a great read on the potential synergy of the greens and libertarians, visit Dan Sullivan's website: <http://geolib.pair.com/essays/sullivan.dan/greenlibertarians.html>

Al Date recently retired from computer manufacturing industry in Silicon Valley California. He can be reached via email at al.date@comcast.net. The author welcomes all corrections, comments and criticisms.



"An Optical Delusion," cartoon opposing the economic theories of Henry George that became popular with the labouring classes in the 1880s. - Library of Congress, Washington, D.C.

ownership of a piece of land is determined by Lockean, a mutualist, Georgist, or syndicalist rule is a matter of local convention. Questions of coercion can only be settled once this prior question is addressed. And since there is no a priori principle from which any particular set of rules can be deduced, we can only judge between them on consequentialist grounds: what other important values do they tend to promote or hinder?

So it's quite conceivable that non-severable, non-marketable shares in a collectively owned enterprise might depend, not on contract among the members, but on the property rights convention of the local community. Saying that such an arrangement is "coercion" is begging the question of whether the Lockean rules for initial acquisition and transfer of property is the only self-evidently true ones." Carson, "Socialist Definitional Free-for-All, Part 1", Archived at <http://mutualist.blogspot.com/2005/12/socialist-definitional-free-for-all.html>. Accessed on September 10, 2008.

13. No doubt much conservative criticism of the welfare state for creating perverse incentives for anti-social behavior, such as familial dysfunction, criminality and a hindered work ethic, are correct and insightful. Yet, many of the social pathologies associated with the "underclass" populations of American and European cities is traceable to detrimental state interventions far beyond those of conventional social welfare systems. A number of works by libertarians and non-libertarians alike have documented the process by which organic social, economic and cultural life has been destroyed among these populations by a wide range of interventions, most of which are imposed for the sake of advancing plutocratic interests. See Kevin A. Carson, "Reparations: Cui Bono?" Archived at <http://mutualist.org/id9.html>. Accessed on September 10, 2008; Charles Johnson, "Scratching By: How Government Creates Poverty As We Know It", *The Freeman*, Vol. 57, No. 10, December 2007; Keith Preston, "The Political Economy of the War on Drugs", (*American Revolutionary Vanguard*, 2001), Archived at <http://attackthesystem.com/the-political-economy-of-the-war-on-drugs/> Accessed on September 10, 2008; Thomas J. Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit*, (Princeton University Press, 1996, 2005); Walter E. Williams, *The State Against Blacks*, (McGraw-Hill, 1982).

14. For an illuminating discussion of the role of state intervention in the dispossession of the indigenous rural agricultural population of America's heartland in the 1980s and 1990s, see James Bovard, *Farm Fiasco*, (ICS Press, 1989) and Joel Dyer, *Harvest of Rage*, (Westview Press, 1997).

8. Martin Van Creveld, *The Rise and Decline of the State* (Cambridge University Press, 1999).
9. James Burnham, *The Managerial Revolution: What Is Happening in the World* (Greenwood Press Reprint, 1972, originally published in 1940). This classic conservative work argues that modern societies are neither “capitalist” nor “socialist” in the way these terms were historically understood. Instead, a new kind of politico-economic order has emerged in modern times where political and economic rule is conducted by a “managerial class” of bureaucrats presiding over mass organizations-governments and their bureaus and agencies, corporations and financial institutions, armies, political parties, unions, universities, media, foundations and the like. Membership in the upper strata of these entities is often rotational in that many of the same individuals shift about from the various sectors of the managerial class, for instance, from elected positions in government to corporate boards of directors to key positions in the media or elite foundations to appointed positions in the bureaucracy.
10. Hans Hermann Hoppe, *Democracy: The God That Failed*. (New Brunswick and London: Transaction Publishers, 2001), pp. 108-109.
11. Kevin A. Carson, “Transportation Subsidies”, *Studies in Mutualist Political Economy*, Chapter Five, Section E. Archived at <http://mutualist.org/id76.html> Accessed on September 10, 2008.
12. Among anti-state radicals, a fairly wide divergence of opinion exists concerning the manner by which property rights in land should be defined. Most “mainstream” libertarians hold to some version of Lockean property rights while more radical libertarians (mutualists, syndicalists, anarcho-communists) along with some distributists argue that property rights should be defined according to the principles of occupancy and use. Still others adhere to the view of Henry George (geoism or geolibertarianism) that land ownership should be subject to a land value tax. For a discussion of this controversy among libertarians, see Kevin A. Carson, “Tucker’s Big Four: The Land Monopoly”, *Studies in Mutualist Political Economy*, Chapter Five: Section B. Archived at <http://www.mutualist.org/id66.html>. Accessed on September 10, 2008. Carson summarizes the matter elsewhere: “In Chapter Five of *Mutualist Political Economy*, I included an extended discussion of property rights theory that relied heavily on “Hogeye Bill” Orton’s commentary from sundry message boards. According to Orton, no particular theory of property rights can be logically deduced from the axiom of self-ownership. Rather, self-ownership can interact with a variety of property rights templates to produce alternative economic orders in a stateless society. So whether rightful

Human Resource Management

by Royce Christian

They get 'em early.
When they're fresh outta the womb.
Still in shock,
And manageable,
Eyes closed,
Bawling their eyes out.

Sign,
Stamp,
Date,
Inject,
Stamp again,
File,
Back He goes,
On loan for five years.

They wait,
Till He can walk,
Is toilet trained,
Can talk.
Until He's no longer totally
dependent.

Then,
The lease expires,
And He's returned in working order,
almost mint condition

to those state-run facilities,
Sign here, please.
Stamp.
Date.
Stamp again.

File.
Religion?
Gender?
Name?
Race?
Address?
Star sign?
Stamp again.
Sign here.
File.

Here He stays,
For the next eight years.
He's taught to add,
Subtract,
Write.
Colour
– though not outside the lines.
Walk,

don't run.
No yelling
inside voice.
But most importantly,
When attacked,
do not,
Hit back,
Just run,
hide,
And tell the institution.
They'll solve your problem.
Crucial training for a
Conforming,
Obedient,
Little
victim,

They make Him,

And the rest of them, All in uniform, Sing the anthem – though most pretend, Mouthing empty words, Like politicians making promises.	Than education. Good, conforming, Little grunts get good jobs.
There's the flag, The principal. Be polite, smile, Show respect. It's all practice.	Rebels get, arrested. And that's only the, First stage in the saga, Of growing up, Into indoctrination.

Eight years pass, They're bigger, Hitting puberty. Starting to think differently. Another crucial moment. Forget algebra, prose, Chem and poetry, And anything else of, Any value. That all comes second. First comes civics. Student Development, Our version of history, Our economics, Bible study, And homework. – enough until that, Growing back bends Under the weight, Of that heavy bag.	Next they ask, "What does it mean to be Australian?" And before the essays due, They introduce the recruiter, And soon, He's on his way, Styre in hand. Paid for, Manufactured, Sealed, And delivered By fellow, Obedient, little, Grunts.
The lessons learned? Certification, Is far more important,	And now He's a soldier, Invading a foreign land, And they point, And they tell 'im To go put a bullet in, the other grunts. But all the while the other grunts,

seemed to residents of the feudal societies of pre-modern times. If the expansion of the market economy, specialization, the division of labor, industrialization and technological advancements can bring about the achievements of modern societies in eradicating disease, starvation, infant mortality and early death, one can only wonder what a genuine free enterprise system might achieve, and would have already achieved were it not for the scourge of statism and the corresponding plutocracy.

Keith Preston is the founder and director of American Revolutionary Vanguard, a U.S.-based tendency committed to advancing the principles of anti-statism, personal liberty, cooperative individualist economics, and the sovereignty and self-determination of communities and nations. He is a graduate student in history, an independent business owner and entrepreneur, and advocate of a new radicalism that reaches beyond the archaic left/right model of the political spectrum. See the ARV website at www.attackthesystem.com

End Notes

1. Kevin A. Carson, *The Iron Fist Behind the Invisible Hand: Corporate-Capitalism As a State-Guaranteed System of Privilege* (Red Lion Press, 2001-Revised January 2002).
2. Kevin A. Carson, "The Subsidy of History", *The Freeman*, Vol. 58, No. 5, June 2008.
3. Raymond Bonner, *Weakness and Deceit: U.S. Policy and El Salvador*. (New York: Times Books, 1984), pp. 19-23.
4. Murray N. Rothbard, "Wall Street, Banks and American Foreign Policy", *World Market Perspective*, 1984.
5. Rothbard, Ibid.; Kevin A. Carson, "Tucker's Big Four: The Money Monopoly", *Studies in Mutualist Political Economy*, Chapter Five: Section B. Archived at <http://mutualist.org/id73.html>. Accessed September 10, 2008; Hans Hermann Hoppe, "Banking, Nation-States and International Politics: A Sociological Reconstruction of the Present Economic Order" *The Economics and Ethics of Private Property* (Boston/Dordrecht/London: Kluwer Academic Publishers, 1993), pp. 61-92; Benjamin R. Tucker, "Part II: Money and Interest". Instead Of A Book, By A Man Too Busy To Write One, 1897. Archived at <http://fair-use.org/benjamin-tucker/instead-of-a-book/>. Accessed on September 10, 2008.
6. Gabriel Kolko, *The Triumph of Conservatism*, MacMillan, 1963.
7. Terry Arthur, "Free Enterprise: Left or Right? Neither!", *Libertarian Alliance*, 1984.

advanced by these schools of thinking to recognize their visionary libertarian aspects. Numerous economic arrangements currently exist that offer glimpses into what post-statist, post-plutocratic institutions of production might be.

One of these is the Mondragon Cooperative Corporation, a collection of worker-owned and operated industries originating from the Basque region of Spain. Having been in existence since 1941, the Mondragon cooperatives initially established a “peoples’ bank” of the kind originally suggested by the godfather of classical anarchism, Pierre Joseph Proudhon,¹⁹ for the development of still more enterprises, which now total more than 150 in number, including the private University of Mondragon. Its supermarket division is the third largest retail outlet in Spain and the largest Spanish-owned food store chain. Each individual cooperative has a workers’ council of its own, and the entire cooperative federation is governed by a congress of workers from the different enterprises.²⁰

Still another quite interesting example is the Brazilian company Semco SA. While privately owned as a family business, Semco practices a form of radical industrial democracy. Under the leadership of Ricardo Semler, who inherited the company from his father, Semco maintains a management structure where workers manage themselves and set their own production goals and budgets with remuneration based on productivity, efficiency and cost effectiveness. Workers receive twenty-five percent of the profits from their division. Middle management has essentially been eliminated. Workers have the right of veto over company expenditures. Job duties are frequently rotated and even the CEO position is shared by six persons, including owner Semler, who serve six month terms in the chief executive position. The company now has over 3,000 employees, annual revenue of over \$200 million and a growth rate of forty percent each year.²¹

An economy organized on the basis of worker-owned and operated industries, peoples’ banks, mutuels, consumer cooperatives, anarcho-syndicalist labor unions, individual and family enterprises, small farms and crafts workers associations engaged in local production for local use, voluntary charitable institutions, land trusts, or voluntary collectives, communes and kibbutzim may seem farfetched to some, but no more so and probably less so than a modern industrial, high-tech economy where the merchant class is the ruling class and the working class is a frequently affluent middle class would have

Are in the same situation,
Only from a far away land,
Who's political orientation
is in question,
Which justifies the dropping of
bombs.

Sign here.
Stamp.
Date.
Stamp.
File.
Deliver.

Rest assured,
He came home,
Full of holes,
In a body bag.
While fighting terrorists,
Or fascists,
Maybe communists,
Or were they criminals?

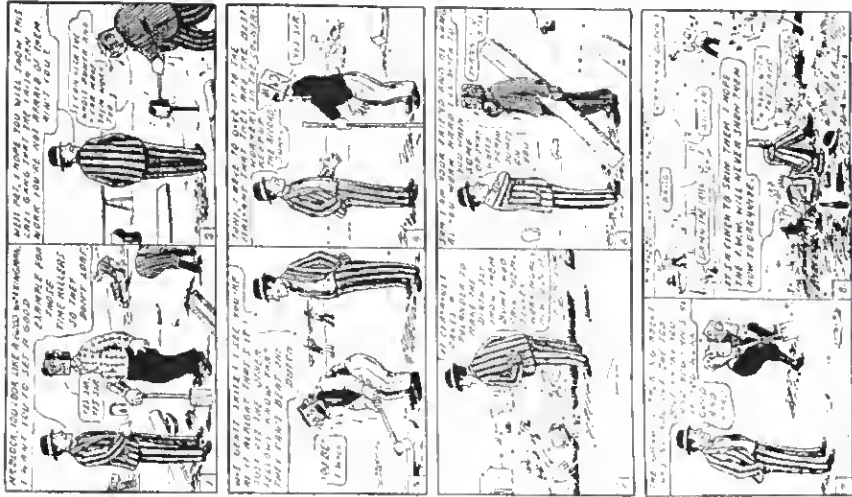
– even rebellions,
Riots or guerrilla insurgency's?
But what we do know,
Is that He was,
Defending the nation,
And it's way of life.
That whole cliché.

That grunt died,
In
your name.
Because a politician,
He never met,
Told a whole number
Of other grunts,

It was the right thing to do.
Even though that politician,
Remained
safely,
Back in parliament.

Royce Christian maintains the Guerilla
Capitalist -
<http://theguerrillacapitalist.wordpress.com>

MR. BLOCK
HE MEETS OTHERS



Mr Block is a cartoon character created in 1912 by Ernest Riebe, a german immigrant and member of the Industrial Workers of the World (<http://iww.org/>).

An Introduction to Digital Gold: An Excerpt

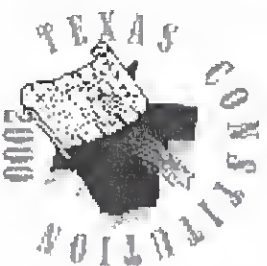
By Jim Davidson

"The coin is a delicate meter of civil, social, and moral changes...It is the finest barometer of social storms, and announces revolutions."

- Ralph Waldo Emerson, 1860, "Essay on Wealth"

My own personal introduction to digital gold currencies came in December 1998. Having been frustrated for many years by various government interventions in the space business, three times to the detriment of companies I worked for or founded, and many other times to the detriment of good friends, I had concluded that I needed a free country in which to work. My efforts to identify one with adequate safeguards for liberty and private property had been unsuccessful. And the effort I joined in 1993 to build a new country out of whole cloth, as it were, on artificial platforms in the Atlantic Ocean, was also unsuccessful.

Meanwhile, an erstwhile friend, Wes Burnett, invited me to serve as a delegate to the 1997 Texas convention on reform of the state's constitution. I concluded that my time then was better spent on other activities, which left me available when the delegates to the constitutional convention wanted to hire a team to organise the ratification effort in December 1998. I agreed to undertake the work, along with my good friend Sam Smith. We formed the initial core of the Texas constitution ratification committee (TCRC).



The constitution we were working to ratify was Texas Constitution 2000. You can google for it if you like. It was a very libertarian constitution in a great many ways, and I liked it much. In 1999, we were successful in organising one county ratification convention, which was successful - the delegates in that county voted unanimously to approve the new constitution. We were about to move on to its neighbor, where several dozen enthusiasts were eager to proceed, when Sam and I were told we had been fired by Don Henson and Wes Burnett in their capacity as the Texas constitution ratification fund (TCRF). In the time since, to my knowledge, no other counties in Texas have been asked to ratify the new constitution.

underclass of contemporary societies and the related social pathologies, a situation whose roots go far deeper than the mere "culture of dependency" bemoaned by conventional conservatives and some libertarians.¹³ The role of the state in the dispossession of the indigenous agricultural population in the period of early capitalist development in the West and in the contemporary Third World has been mentioned, but such dispossessions continue to occur even in modern societies.¹⁴

The implications of these insights for libertarian strategy are rather profound indeed. If libertarianism is to be identified in the public mind and among lay people as an apology for the corporation-dominated status quo, and if libertarians proceed as if "conservative" apologists for big business were their natural friends, and insist that a libertarian world would be one ruled by the likes of Boeing, Halliburton, Tesco, Microsoft, or Dupont, then libertarianism will never be anything more than an appendage to the ideological superstructure modern intellectual classes use to legitimize plutocratic rule.¹⁵ However, if libertarianism asserts itself as a new radicalism, the polar opposite of plutocrat-friendly "conservatism", and more radical than anything offered by the increasing moribund and archaic Left, then libertarianism may well indeed inspire new generations of militants to take aim at the statist status quo. Libertarianism may become the guiding system of thought for radicals and reformers everywhere as liberalism was in the eighteenth and nineteenth centuries and as socialism was for subsequent generations.¹⁶

As for the question of what an economy devoid of statist, corporatist and plutocratic rule would actually look like, it can be expected that removal of state-imposed barriers to attainment of credit, entrepreneurship and economic self-sufficiency (as opposed to dependency on state and corporate bureaucracies for employment, insurance and social services) will be one where Colin Ward's ideal of a "self-employed" society is largely realized.¹⁷ No longer will the average man be dependent on Chase Manhattan, Home Depot, General Motors, Tesco or Texaco for his livelihood or his sustenance. Instead, he will have finally acquired the means of existing economically as a self-sufficient dignified individual in a community of peers where privilege is the result of merit and equal liberty is the unchallengeable prerogative of all.

Early in the twentieth century there were a variety of movements championing the independent small producer and the cooperative management of large enterprises including anarcho-syndicalism from the extreme Left and distributism from the reactionary Catholic Right.¹⁸ These tendencies still exist on the outer fringes of political and economic thought. One need not agree with every bit of analysis or every proposal

intervention.⁹ Out of this domestic state-capitalist order there has emerged an overarching international order rooted in the pre-eminence of the American state-capitalist class and its junior partners from a number of the other developed nations. Hans Hermann Hoppe describes this arrangement:

Moreover, from a global perspective, mankind has come closer than ever before to the establishment of a world government. Even before the destruction of the Soviet Empire, the United States had attained hegemonical status over Western Europe...and the Pacific Rim countries... as indicated by the presence of American troops and military bases... by the role of the American dollar as the ultimate international reserve currency and of the U.S. Federal Reserve System as the "lender" or "liquidity provider" of last resort for the entire Western banking system, and by institutions such as the International Monetary Fund (IMF), the World Bank and the... World Trade Organization. In addition, under American hegemony the political integration of Western Europe has steadily advanced. With the recent establishment of a European Central Bank and a European Currency (EURO), the European Community is near completion. At the same time, with the North American Free Trade Agreement (NAFTA) a significant step toward the political integration of the American continent has been taken. In the absence of the Soviet Empire and its military threat, the United States has emerged as the world's sole and undisputed military superpower and its "top cop."¹⁰

Such is what "big business" has wrought. Such an international imperial order is about as far removed from the libertarian principles of small government and free enterprise as anything could possibly be. Thus far in this discussion, the surface has only been scratched concerning the deformation of the natural market process from what it might otherwise have been because of state intervention and the corresponding system of corporate plutocratic rule. No mention has been made of the monopoly privilege inherent in patent laws and the legal concept of "intellectual property." The role of transportation subsidies in the centralization of wealth and the destruction of smaller competitors to "big business" has not been discussed. Indeed, a credible case can be made that without direct or indirect subsidies to those transportation systems such as air, water or long distance land travel that are necessary for the cultivation and maintenance of markets over large geographical entities, the kind of domination of present day retail and commercial food markets exercised by such gargantuan entities as Wal-Mart, McDonald's, Tesco and others would likely be impossible.¹¹ No challenge has been made to conventional views regarding legitimacy of land titles as opposed to contending views, such as those rooted in usufructuary or geoist principles.¹² There has been no discussion, as there easily could be, of the role of the state in the creation of the

Although Don and Wes have never made good on the promissory notes for many ounces of gold they were supposed to pay to Sam, the other members of the TCRC, and me, I did get a bit of e-gold for my troubles. Over the months of our contract, we received promissory notes to pay us gold. Our expenses, however, were promptly reimbursed in e-gold. So it was in December 1998 that I formed my first e-gold account.

The first of the digital gold currencies was e-gold. It had been founded in 1996. By the time I formed my account there were still fewer than 1500 accounts. At the time, the terms of service allowed me to cash out some of my gold in gold coins. The "redeem" button in those days was like a visit to an online coin store.

There were also many other users of e-gold. Coin stores. Exchange providers. Tourism companies. Web hosting companies. Proxy services to let me buy from Amazon. Domain registrars. A great many art stores. Eventually, a few casinos began accepting e-gold, as did an online stock exchange.



After the September 1999 ratification convention in Sabine County, I received very little e-gold. But I was pleased to make a few minor suggestions, especially to the fusion codicil, when the e-gold terms of service were revised. And I had some breadth of experience with the currency in 2000 when a friend, Tristan Petersen, asked me to help him organise a new company, Gold Barter Holdings. Gold Barter was going to compete head to head with eBay, especially for the types of auctions forbidden on eBay. Gold would be the preferred currency for settlement.

Of course, I took some time away from that new business in December 2000 to travel to Europe and Somalia, and ring in the new millennium in Africa. My search for a free country had caused me to join forces with Dutch diplomat and polyglot Michael van Notten. In early 2001 we began raising substantial funds for a free port and toll road project. It was very close to the point of fruition in August 2001 - I was to meet Michael in Rotterdam in late September to arrange for the shipping of our first loads of equipment. We were to receive funds from our primary investor on the 15th of that fateful month. But, alas, events intervened, buildings fell in New York, and within weeks NATO general Tommy declared that it should be NATO policy to bomb all the port facilities in Somalia.

Oh, well. I didn't get along well with the vice president in Somaliland, anyway. So, we put that effort on the shelf for a while. I did introduce our plans to Doug Casey in May 2002, to see if he wanted to help us get going in a big way. Doug was favorably impressed, at least with the detailed nature of our planning documents. Sadly, Michael passed away in June of that year from complications arising from being afflicted with socialised medicine. With him went the family connection to the clan where we anticipated building the port.

In the mean time, I had poured myself into Gold Barter Holdings full time. Some opportunities that Tristan had identified inspired him to develop Cambist.net, an automated gold exchange that worked initially with e-gold and early competitor GoldMoney (starting in 2001). We had also encountered some customers for e-gold to dollars activity, and that led to a full service exchange.

Business was flourishing. The industry was expanding rapidly. We successfully listed our stock on the online stock exchange. The sky was the limit.

Jim Davidson is an entrepreneur and space enthusiast. A former chair of the Boston Tea Party he is currently active with Iraq Veterans Against the War and the Kansas affiliate of the Boston Tea Party. For more visit <http://indomitus.net/>

The Pen

by Royce Christian

There's that old saying,
That the pen is,
Mightier than the sword.
But the metaphor is real,
The pen itself is a blade,
A sleek and versatile weapon.

A quick flick with a skilful hand,
And you can disembowel the dogma,
Of a soulless politician.
Cross swords with the dull,
Blunted blade of a statist,
And you can shake the foundation,
Of the whole coercive system,
Tearing into it like the knife of a surgeon.

With enough practice,
You can shake all their operations,
Shake the tanks, the soldiers,
The solid lines of riot cops,
And silence their machine guns.
Expose that corporate elitism,
That cultivates political relations,
In the hopes of subsidisation
Funded entirely by that,
Legalised theft called, taxation.
The pen is a blade just as powerful,
As any act of civil disobedience,
Any activism.

So go,
Use that blade, son,
Fight for your liberty,
And get yourself free.

centuries. Gabriel Kolko's landmark study of the historic relationship between state and capital traced the development of this symbiosis from the "railroad government complex" of mid-nineteenth century America through the supposed "reforms" of the so-called Progressive Era to the cartelization of labor, industry and government by means of Franklin Roosevelt's New Deal.⁶ At each stage of this development of American state-capitalism, members of "the capitalist class"-bankers, industrialists, manufacturers, businessmen-adamantly pushed for and were directly involved in the creation of a state-managed economy whose effect would be to shield themselves from smaller, less politically connected competitors, co-opt labor unions and generate a source of monopolistic protection and cost-free revenue from the state. Similar if not identical parallels can be found in the development of state-capitalism in the other modern countries.⁷

Indeed, parallels can also be drawn between the structures of contemporary state-capitalism and historic feudalism. Since the High Middle Ages government has been transformed from its earlier identification with a specific person or persons into a corporate entity with a life and identity of its own beyond that of its individual members.⁸

Out of this process of transformation from personal government to corporate government, the evolution of a system of state-capitalist privilege that has supplanted feudal privilege, the ever greater interaction and co-dependency between the plutocratic elite and the minions of the state, and the wider integration of organized labor, political interests groups generated by mass democracy and unprecedented expansion of the public sector has emerged a politico-economic order that might be referred to as the "new manorialism". These "new manors" are the multitude of bureaucratic entities that maintain an institutional identity of their own, though their individual personnel may change with time, and who exist first and foremost for the sake of their own self-preservation, irrespective of the original purposes for which they were ostensibly established. The "new manors" may include institutional entities that function as de jour arms of the state, such as regulatory bureaus, police and other "law enforcement" agencies, state-run social service departments or educational facilities, or they may include de facto arms of the state, such as the banking and corporate entities whose position of privilege, indeed, whose very existence, is dependent upon state

Gabriel Kolko's landmark study of the historic relationship between state and capital traced the development of this symbiosis from the "railroad government complex" . . . to the cartelization of labor, industry and government by means of Franklin Roosevelt's New Deal.

intervene into the economic structures of the nation in such a way as to make the accumulation of personal wealth more rapid through the establishment of larger, private plantations with a more greatly regimented labor force. Consequently, the government began to destroy the traditional system of property rights held by the towns and villages in order to establish individual plantations owned by those from the privileged classes who already possessed the means of acquiring credit. This change was implemented in several steps. In 1846, landowners with more than 5,000 coffee bushes were granted immunity from paying export duties for seven years and from paying taxes for a ten year period. Plantations owned by the Salvadoran government were also transferred to politically connected private individuals. In 1881, the communal land rights the Pipil had possessed for centuries were rescinded, making self-sufficiency for the Indians impossible. The government subsequently refused to grant even subsistence plots to the Pipil as the Salvadoran state was now fully under the control of the large plantation owners. This escalating economic repression was met with resistance and five separate peasant rebellions occurred during the late nineteenth century. By the middle part of the twentieth century, El Salvador's coffee plantations, called *fincas*, were producing ninety-five percent of the country's export product and were controlled by a tiny oligarchy of landowning families.³

The phrase "means of acquiring credit" from the previous paragraph is a particularly significant one as the purpose of state control over banking and the issuance of money serves to narrowly constrict the supply of available credit which in turn renders entrepreneurship inaccessible to the majority of the population at large. Indeed, Murray Rothbard argued that bankers as a class "are inherently inclined towards statism"⁴ as they are typically involved with unsound practices, such as fractional reserve credit, that subsequently lead to calls for assistance from the state, or derive much of their business from direct involvement with the state, for instance, through the underwriting of government bonds. Therefore, the banking class becomes the financial arm of the state not only by specifically underwriting the activities of the state, such as war, plunder and repression, but also by serving to create and maintain a plutocracy of businessmen, manufacturers, politically-connected elites and others able to obtain access to the narrowly constricted supply of credit within the context of the market distortions generated by the state's money monopoly.⁵

The process by which "capitalism" as it is actually practiced in the modern countries developed-by means of a partnership between the forces of state and capital, rather than through a genuine free market-has already been very briefly described. There remains the question of how this relationship has subsequently been maintained over the past two

Eight Ways You Can Personally Help to Smash the State

By Francois Tremblay

One of the problems with Anarchism is that, unlike other political ideologies which rely on "the system," the courses of actions one can take are not obvious. People who are convinced by the arguments are discouraged by the notion that "there's nothing I can do," and new Anarchists, not seeing any way out, turn to political means as "the only solution."

However, the fact of the matter is that political means can only engender political means. No use of political means has ever brought about lasting freedom. To continue to use them is therefore insane, and portrays us Anarchists as "just another faction" in the political arena, which is as far from the truth as can be. We Anarchists have nothing to gain from it.

So what can we do to resist? Not as a movement, but personally? There are a number of things that a single individual can do that brings concrete, if small, change. I actually finished this list before I learned that the Philaahzophy blog had also done the same thing, and I encourage you to read his list also.

1. Talk about it.

Yes, I know, isn't that all we do *anyway*? But I mean targeted discussions with people you'd like to deconvert, not discussions amongst ourselves. Depending on how open-minded they are and the relationship they have with you, deconverting statists can be difficult, but using well-reasoned arguments and methods can make the task easier. You can help make the movement bigger, and some people have had great success deconverting dozens of people. You can also refer interested parties to the TOLFA web site, which is dedicated to spreading the light of freedom through a simple self-education and mentoring system.

2. Give the ideal of freedom as a gift.

In the same general vein, giving those people you don't really know, or can't spend a lot of money on, a gift that promotes the ideals of freedom can be a good way to communicate Anarchy. There are a lot of possibilities in terms of books, movies and t-shirts here, depending on the personality of the person you're buying for. For instance, sci-fi book fans might enjoy *The Probability Broach* or *Snow Crash*, while movie fans who haven't seen *V for Vendetta* yet.

3. Help your local networks.

If you live in a big city, chances are that there's a Meetup you can join (or if you can afford it, create one). Help kickstart local projects that help the community and spread Anarchist moral principles through these groups.

4. Join Bureaucrash.

If you are a student, consider joining Bureaucrash. They are a dynamic organization that support students involved in free market activism.

5. Join black flagger groups.

Even though black flagger groups tend to be very collectivist in nature, they still offer ways for Anarchists to express themselves and protest... although it's important to remember that symbolic action and symbolic discourse is NOT action.

6. Practice tax resistance.

Okay, enough with the hard work, here's an easy one: don't pay taxes. There are many different ways to do that. You can simply not file, which is not actually as risky as people think (considering that even plain cheating on your returns is not that bad, as only 7% of returns get reviewed over a 7 year period). If you are risk-averse, you can minimize your taxable income and get rid of taxes entirely "legally." Take any opportunity you have to work for yourself or work "under the table." Sometimes buying online or on the black market can also help avoid sales taxes. Become an income tax assistance volunteer.



Tax resistance is one small but effective centuries-old way to help starve the State and its gargantuan war machine. When done by a single individual, it's a way to protest coercion and act in accordance with your moral principles. When done by the masses, it's the most powerful anti-State messages there is.

7. Cease all cooperation with the State.

Yes, obviously there's going to be limits to this. There are always things we need in order to keep our current lifestyle, like a driver's license (not having one can get you in jail for a month without even being charged). It's impossible to cease obeying their wishes, but there's a lot one can do (beyond tax resistance and buying things online, which I already covered). Some examples: not working for the government, churches, or any statist

Kenya was stolen by the colonial authorities, and the native peasantry evicted, so the land could be used for cash-crop farming by white settlers (using the labor of the evicted peasantry), of course, to work their own former land). As for those who remained on their own land, they were "encouraged" to enter the wage-labor market by a stiff poll tax that had to be paid in cash. Multiply these examples by a hundred and you get a bare hint of the sheer scale of robbery over the past 500 years.

...Factory owners were not innocent in all of this. Mises claimed that the capital investments on which the factory system was built came largely from hard-working and thrifty workmen who saved their own earnings as investment capital. In fact, however, they were junior partners of the landed elites, with much of their investment capital coming either from the Whig landed oligarchy or from the overseas fruits of mercantilism, slavery and colonialism.

In addition, factory employers depended on harsh authoritarian measures by the government to keep labor under control and reduce its bargaining power. In England the Laws of Settlement acted as a sort of internal passport system, preventing workers from traveling outside the parish of their birth without government permission. Thus workers were prevented from "voting with their feet" in search of better-paying jobs. You might think this would have worked to the disadvantage of employers in underpopulated areas, like Manchester and other areas of the industrial north. But never fear: the state came to the employers' rescue. Because workers were forbidden to migrate on their own in search of better pay, employers were freed from the necessity of offering high enough wages to attract free agents; instead, they were able to "hire" workers auctioned off by the parish Poor Law authorities on terms set by collusion between the authorities and employers.

The Central American nation of El Salvador provides an excellent case study in how "actually existing capitalism" came about. The indigenous people of El Salvador, known as the Pipil Indians, were conquered in the early sixteenth century by the Spanish conquistadors. It was not until 1821 that El Salvador claimed its independence from Spain and subsequently became an independent nation in 1839. The system of land ownership in Salvadoran society was communal in nature as late as the end of the eighteenth century with ownership rights relegated to individual towns and Pipil villages. The primary agricultural products produced by the peasants were cattle, indigo, corn, beans and coffee. The Pipil were essentially practicing a type of collective self-employment.

As the international market for coffee expanded, some of the wealthier and more powerful merchants and landowners began pressuring the Salvadoran government to

Yet such defenses will often underestimate the degree to which the state serves to create market distortions for the sake of upholding a corporation-dominated economic order. Such distortions result from a plethora of interventions including not only bailouts and subsidies but also the fictitious legal infrastructure of corporate “personhood”, limited liability laws, government contracts, loans, guarantees, purchases of goods, price controls, regulatory privilege, grants of monopolies, protectionist tariffs and trade policies, bankruptcy laws, military intervention to gain access to international markets and protect foreign investments, regulating or prohibiting organized labor activity, eminent domain, discriminatory taxation, ignoring corporate crimes and countless other forms of state-imposed favors and privileges.¹

Perhaps the efficacious gift to the present corporate order by the state has been what Kevin Carson calls “the subsidy of history,” a reference to the process by which the

indigenous inhabitants and possessors of property in land were originally expropriated during the course of the construction of traditional feudal societies and the subsequent transformation of feudalism into what is now called “capitalism”, or the corporatist-plutocratic societies that we have today.

Contrary to the myths to which some

subscribe, including many libertarians, the evolution of capitalism out of the old feudal order was not one where liberty triumphed over privilege, but one where privilege asserted itself in newer and more sophisticated forms. As Carson explains:

There were two ways Parliament could have abolished feudalism and reformed property. It might have treated the customary possessive rights of the peasantry as genuine title to property in the modern sense, and then abolished their rents. But what it actually did, instead, was to treat the artificial “property rights” of the landed aristocracy, in feudal legal theory, as real property rights in the modern sense; the landed classes were given full legal title, and the peasants were transformed into tenants at will with no customary restriction on the rents that could be charged...

In European colonies where a large native peasantry already lived, states sometimes granted quasi-feudal titles to landed elites to collect rent from those already living on and cultivating the land; a good example is latifundismo, which prevails in Latin America to the present day. Another example is British East Africa. The most fertile 20 percent of

institution, not cooperating with the police, not cooperating with the “justice” system, not voting, using online loans and other online services instead of the bank cartel, and joining the Free State Project. But there are many more things one can do in this area: perhaps what you observe yourself in your own life gives you examples.

8. Disentangle yourself from the system.

This is perhaps harder than the other points listed here, and not something readily available to most, at least not on a large scale. We’re talking here about bartering, self-production, black markets, in short agorist counter-economics: and if that’s the direction that interests you, then it’s the agorists you should talk to. They know what they’re talking about.

Francois Tremblay blogs at Check Your Premises (<http://francoistremblay.wordpress.com>), is co-host of the Hellbound Allee Show and has self-published three books, most recently But What About The Roads?: Market Anarchy Explained.

The Stateless Society: An Examination of Alternatives

by Stefan Molyneux

If the Twentieth Century proved anything, it is that the single greatest danger to human life are the thugs of the centralized political State, who extinguished more than 170 million souls during the bloodiest rampage in recorded history. By any rational standard, modern States are the last and greatest remaining predators – and that the danger has not abated with the demise of communism and fascism. All Western democracies currently face vast and accelerating escalations of State power and centralized control over economic and civic life. In almost all Western democracies, the State chooses:

- where children go to school, and how they will be educated
- the interest rate citizens can borrow at
- the value of currency
- how employees can be hired and fired
- how more than 50% of their citizens’ time and money are disposed of
- who a citizen’s doctor is

- what kinds of medical procedures can be received - and when
- when to go to war
- who can live in the country
- ...just to touch on a few.

Most of these amazing intrusions into personal liberty have occurred over the past 90 years, since the introduction of the income tax. They have been accepted by a population helpless to challenge the endless expansions of State power - and yet, even though most citizens have received endless pro-State propaganda in government schools, a growing rebellion is brewing. State predations are now so intrusive that they have effectively arrested the forward momentum of society, which now hangs before a fall. Children are poorly educated, young people are unable to get ahead, couples with children fall ever-further into debt, and the elderly are finding State medical systems collapsing under the weight of their growing needs - and State debts continue to grow.

Thus, these early years of the twenty-first century are the end of an era, a collapse of mythology comparable to the fall of fascism, communism, monarchy, or political Christianity. The idea that the State is capable of solving social problems is now viewed with great skepticism - which foretells a coming change. As soon as skepticism is applied to the State, the State falls, since it fails at everything except increasing its power, and so can only survive on propaganda, which relies on unquestioning faith.

Yet while most people are comfortable with the idea of reducing the size and power of the State, they become distinctly uncomfortable with the idea of getting rid of it completely. To use a medical metaphor, if the State is a cancer, they prefer medicating it into an unstable remission, rather than eliminating it completely.

This can never work. A central lesson of history is that States are parasites which always expand until they destroy their host population. Because the State uses violence to achieve its ends - and there is no rational end to the expansion of violence - States grow until they destroy civilized interaction through the corruption of money, contracts, honesty, family, and self-reliance. As such, the cancerous metaphor is not misplaced. People who believe that the State can somehow be contained have not accepted the fact that no State in history has ever been contained.

Even the rare reductions are merely temporary. The United States was founded on the principle of limited government; it took little more than a century for the State to break the bonds of the Constitution, implement the income tax, take control of the money

The idea that society can only survive in the absence of a centralized State is the greatest lesson that the grisly years of the Twentieth Century can teach us. Our choice is not between the free market and the State, but between life and death. Whatever the risks involved in dissolving the central State, they are far less than the certain destruction which will result from its inevitable escalation. Like a cancer patient facing certain demise, we must open our minds reach for whatever medicine shows the most promise, and not wait until it is too late.

Stefan Molyneux is the host of Freedomain Radio, the most popular philosophical podcast on the Internet, and a Top 10 Finalist in the 2007 Podcast Awards. He is the author of Universally Preferable Behavior: A Rational Proof of Secular Ethics, On Truth: The Tyranny of Illusion, and the novel The God of Atheists.

Free Enterprise: The Antidote to Corporate Plutocracy

By Keith Preston

A political libertarian, broadly defined, is someone who wishes to dramatically reduce the role of the state in human social life so as to maximize individual freedom of thought, action and association. The natural corollary to libertarian anti-statism is the defense of the free market in economic affairs. Many libertarians and not a few conservatives, at least in the Anglo nations, claim to be staunch proponents of free enterprise. Yet this defense is often rather selective, and timid, to say the least.

Libertarians and free-market conservatives will voice opposition to state-owned enterprises, the social welfare and public health services, state-funded and operated educational institutions, or regulatory bureaus and agencies, such as those governing labor relations, relations between racial, ethnic, and gender groups, or those regulating the use of the environment. Curiously absent among many libertarian, conservative, or free-market critiques of interventions by the state into society are the myriad of ways in which government acts to assist, protect, and, indeed, impose outright, an economic order maintained for the benefit of politically connected plutocratic elites. Of course, recognition of this fact has led some on the Left to make much sport of libertarians, whom they often refer to, less than affectionately, as "Republicans who take drugs", or "Tories who are soft on buggery", and other such clichés.

Some advocates of free enterprise will respond to such charges by indignantly proclaiming their opposition to state efforts to "bail out" bankrupt corporations or subsidies to corporate entities for the ostensible purpose of research and development.

to be protected against Sally's actions, and Sally wants to be protected against Achmed's actions. Because of this desire for mutual protection, they would choose DROs which had the widest reciprocity agreements.

Thus, in a truly free market, there are many levels and agencies actively working against pollution. Achmed's insurer will be actively scanning the surroundings looking for polluters it can forestall. Sally will be unable to build her paint factory without proving that she will not pollute. Mutual or independent DROs will resolve any disputes regarding property damage caused by Sally's pollution.

There are other benefits as well, which are almost unsolvable in the current system. Imagine that Sally's smokestacks are so high that her air pollution sails over Achmed's house and lands on Reginald's house, a hundred miles away. Reginald then complains to his DRO that his property is being damaged. His DRO will examine the air contents and wind currents, then trace the pollution back to its source and resolve the dispute with Sally's DRO. If the air pollution is particularly complicated, then Reginald's DRO will place non-volatile compounds into Sally's smokestacks and follow them to where they land. This can be used in a situation where a number of different factories may be contributing pollutants.

The problem of inter-country air pollution may seem to be a sticky one, but it's easily solvable. Obviously, a Canadian living along the Canada/US border, for instance, will not choose a DRO which refuses to cover air pollution emanating from the US. Thus the DRO will have to have reciprocity agreements with the DROs across the border. If the US DROs refuse to have reciprocity agreements with the Canadian DROs - inconceivable, since the pollution can go both ways - then the Canadian DRO will simply start a US branch and compete.

The difference is that international DROs actually *profit* from cooperation, in a way that governments do not. For instance, a State government on the Canada/US border has little motivation to impose pollution costs on local factories, as long as the pollution generally goes north. For DROs, quite the opposite would be true.

Finally, one other advantage to DRO's can be termed the 'Scrabble-Challenge Benefit'. In Scrabble, an accuser loses his turn if he challenges another player's word and the challenge fails. Given the costs of resolving disputes, DROs would be very careful to ensure that those bringing false accusations would be punished through their own premiums, their *contract ratings* and by also assuming the entire cost of the dispute. This would greatly reduce the number of frivolous lawsuits, to the great benefit of all.

supply and the educational system, and begin its catastrophic expansion. There is no example in history of a State being permanently reduced in size. All that happens during a tax or civil revolt is that the State retrenches, figures out what it did wrong, and plans its expansion again. Or provokes a war, which silences all but fringe dissenters.

Given these well-known historical facts, why do still people believe that such a deadly predator can be tamed? Surely it can only be because they consider a slow strangulation in the grip of an expanding State somehow better than the quick death of a society bereft of a State.

Why, then, do most people believe that a society will crumble without a coercive and monopolistic social agency at its core? There are a number of answers to this question, but generally they tend to revolve around three central points:

- dispute resolution;
- collective services; and,
- pollution.

Dispute Resolution

The fact that people still cling to the belief that the State is required to resolve disputes is amazing, since modern courts are out of the reach of all but the most wealthy and patient, and are primarily used to shield the powerful from competition or criticism. In this writer's experience, to take a dispute with a stockbroker to the court system would have cost more than a quarter of a million dollars and taken from five to ten years - however, a private mediator settled the matter within a few months for very little money. In the realm of marital dissolution, private mediators are commonplace. Unions use grievance processes, and a plethora of other specialists in dispute resolution have sprung up to fill in the void left by a ridiculously lengthy, expensive and incompetent State court system.

Thus the belief that the State is required for dispute resolution is obviously false, since the court apparatus is unavailable to the vast majority of the population, who resolve their disputes either privately or through agreed-upon mediators.

How can the free market deal with the problem of dispute resolution? Outside the realm of organized crime, very few people are comfortable with armed confrontations, and so generally prefer to delegate that task to others. Let's assume that people's need for such representatives produces Dispute Resolution Organizations (DROs), which promise to resolve disputes on their behalf.

Thus, if Stan is hired by Bob, they both sign a document specifying which DRO they both accept as an authority in dispute resolution. If they disagree about something, and are unable to resolve it between themselves, they submit their case to the DRO, and agree to abide by that DRO's decision.

So far so good. However, what if Stan decides he doesn't want to abide by the DRO's decision? Well, several options arise.

First of all, when Stan signed the DRO agreement, it is likely that he would have agreed to property confiscation if he did not abide by the DRO's decision. Thus the DRO would be entirely within its right to go and remove property from Stan – by force if necessary – to pay for his side of the dispute.

It is at this point that people generally throw up their arms and dismiss the idea of DROs by claiming that society would descend into civil war within a few days.

Everyone, of course, realizes that civil war is a rather bad situation, and so it seems likely that the DROs would consider alternatives to armed combat.

What other options could be pursued? To take a current example, small debts which are not worth pursuing legally are still regularly paid off – and why? Because a group of companies produce credit ratings on individuals, and the inconvenience of a lowered credit rating is usually greater than the inconvenience of paying off a small debt. Thus, in the absence of any recourse to force, small debts are usually settled. This is one example of how desired behaviour can be elicited without pulling out a gun or kicking in a door.

Picture for a moment the infinite complexity of modern economic life. Most individuals bind themselves to dozens of contracts, from car loans and mortgages to cell phone contracts, gym membership, condo agreements and so on. To flourish in a free market, a man must honour his contracts. A reputation for honest dealing is the foundation of a successful economic life. Now, few DROs will want to represent a man who regularly breaks contracts, or associates with difficult and litigious people. (For instance, this writer once refrained from entering into a business partnership because the potential partner revealed that he had sued two previous partners.)

Thus if Stan refuses to abide by his DRO's ruling, the DRO has to barely lift a finger to punish him. All the DRO has to do is report Stan's non-compliance to the local contract-rating company, who will enter his name into a database of contract violators. Stan's DRO will also probably drop him, or raise his rates considerably.

- buying the land itself, then selling it to a non-polluting buyer;
- getting assurances from Sally that her company will not pollute;
- paying Sally to enter into a non-polluting contract.

If, however, someone at the insurance company is asleep at the wheel, and Sally buys the land and puts up her polluting factory, what happens then?

Well, then the insurance company is on the hook for \$2M to Achmed (assuming for the moment that only Achmed bought pollution insurance). *Thus, it can afford to pay Sally up to \$2M to reduce her pollution and still be cash-positive.* This payment could take many forms, from the installation of pollution-control equipment to a buy-out to a subsidy for under-production and so on.

If the \$2M is not enough to solve the problem, then the insurance company pays Achmed the \$2M and he goes and buys a new house in an unpolluted neighbourhood. However, this scenario is highly unlikely, since the insurance company would be unlikely to insure only one single person in a neighbourhood against air pollution – and a single person probably could not afford it!

So, that is the view from Achmed's air-pollution insurance company. What about the view from Sally's House of Polluting Paint Production? She, also, must be covered by a DRO in order to buy land, borrow money and hire employees. How does that DRO view her tendency to pollute?

Pollution brings damage claims against Sally, because pollution is by definition damage to persons or property. Thus Sally's DRO would take a dim view of her polluting activities, since it would be on the hook for any property damage her factory causes. In fact, it would be most unlikely that Sally's DRO would insure her against damages unless she were able to prove that she would be able to operate her factory *without* harming the property of those around her. And without access to a DRO, of course, she would be hard-pressed to start her factory, borrow money, hire employees etc.

It's important to remember that DROs, much like cell phone companies and Internet providers, only prosper if they cooperate. Sally's DRO only makes money if Sally does not pollute. Achmed's insurer also only makes money if Sally does not pollute. Thus the two companies share a common goal, which fosters cooperation.

Finally, even if Achmed is not insured against air pollution, he can use his and/or Sally's DRO to gain restitution for the damage her pollution is causing to his property. Both Sally and Achmed's DROs would have reciprocity agreements, since Achmed wants

market easily solves this problem, because a company which re-seeded would reap the greatest long-term profits from woodland, and so would be able to bid the most for the land.

Also, it should be remembered that, in the realm of air pollution, governments created the problem in the first place. In 19th century England, when industrial smokestacks began belching fumes into the orchards of apple farmers, the farmers took the factory-owners to court, citing the common-law tradition of restitution for property damage. Naturally, the capitalists had gotten to the State courts first, and had more money to bribe with, employed more voting workers, and contributed more tax revenue than the farmers – and so the farmers' cases were thrown out of court. The judge argued that the 'common good' of the factories took precedence over the 'private need' of the farmers. The free market did not fail to solve the problem of air pollution – it was forcibly prevented from doing so through State corruption.

The State, then, is no friend of the environment – but how would the free market handle it? One egregious example often cited is a group of houses downwind from a new factory which works day and night to coat them in soot.

When a man buys a new house, isn't it important to him to ensure that it won't be subjected with someone else's pollution? People's desire for a clean and safe environment is so strong that it's a clear invitation for enterprising capitalists to sweat bullets figuring out how to provide it.

Fortunately, since we have already talked about DROs and their role in a free market, the problem of air pollution can be solved quite easily.

If the aforementioned group of homeowners is afraid of pollution, the first thing they will do is buy *pollution insurance*, which is a natural response to a situation where costs cannot be predicted but consequences are dire. Let's say that a homeowner named Achmed buys pollution insurance which pays him two million dollars if the air around or in his house becomes polluted in some predefined manner. In other words, as long as Achmed's air remains clean, the insurance company makes money.

One day, a plot of land upwind of Achmed's house comes up for sale. Naturally, his insurance company would be very interested in this, and would monitor the sale. If the purchaser is some private school, all is well (assuming Achmed has not bought an excess of noise pollution insurance!). If, however, the insurance company discovers that Sally's House of Polluting Paint Production is interested in purchasing the plot of land, then it will likely spring into action, taking one of the following actions:

And so, from an economic standpoint, Stan has just shot himself in the foot. He is now universally known as a man who rejects legitimate DRO rulings that he agreed to accept in advance. What happens when he goes for his next job? What if he decides to eschew employment and start his own company, what happens when he applies for his first lease? Or tries to hire his first employee? Or rent a car, or buy an airline ticket? Or enter into a contract with his first customer? No, in almost every situation, Stan would be far better off to abide by the decision of the DRO. Whatever he has to pay, it is far cheaper than facing the barriers of existing without access to a DRO, or with a record of rejecting a legitimate ruling.

But let's push the theory to the max, to see if it holds. To examine a worst-case scenario, imagine that Stan's employer is an evil man who bribes the DRO to rule in his favour, and the DRO imposes an unconscionable fine – say, one million dollars – on Stan.

First of all, this is such an obvious problem that DROs, to get any business at all, would have to deal with this danger up front. An appeal process to a different DRO would have to be part of the contract. DROs would also rigorously vet their own employees for any unexplained income. And, of course, any DRO mediator who corrupted the process would receive perhaps the lowest contract-rating on the planet, lose his job, and be liable for damages. He would lose everything, and be an economic pariah.

However, to go to the extreme, perhaps the worst has occurred and Stan has been unjustly fined a million dollars due to DRO corruption. Well, he has three alternatives. He can choose not to pay the fine, drop off the DRO map, and work for cash without contracts. Become part of the grey market, in other words. A perfectly respectable choice, if he has been treated unjustly.

However, if Stan is an intelligent and even vaguely entrepreneurial man, he will see the corruption of the DRO as a prime opportunity to start his own, competing DRO, and will write into its base contract clauses to ensure that what happened to him will never happen to anyone who signs on with his new DRO.

Stan's third option is to appeal to the contract-rating agency. Contract rating agencies need to be as accurate as possible, since they are attempting to assess real risk. If they believe that the DRO ruled unjustly against Stan, they will lower that DRO's contract rating and restore Stan's.

Thus it is inconceivable that violence would be required to enforce all but the most extreme contract violations, since all parties gain the most long-term value by acting honestly. This resolves the problem of instant descent into civil war.

Two other problems exist, however, which must be resolved before the DRO theory starts to become truly tenable.

The first is the challenge of reciprocity, or geography. If Bob has a contract with Jeff, and Jeff moves to a new location not covered by their mutual DRO, what happens? Again, this is such an obvious problem that it would be solved by any competent DRO. People who travel prefer cell phones with the greatest geographical coverage, and so cell phone companies have developed reciprocal agreements for charging competitors. Just as a person's credit rating is available anywhere in the world, so their contract-rating will also be available, and so there will be no place to hide from a broken contract save by going 'off the grid' completely, which would be economically crippling.

The second problem is the fear that a particular DRO will grow in size and stature to the point where it takes on all the features and properties of a new State.

This is a superstitious fear, because there is no historical example of a private company replacing a political State. While it is true that companies regularly use State coercion to enforce trading restrictions, high tariffs, cartels and other mercantilist tricks, surely this reinforces the danger of the State, not the inevitability of companies growing *into* States. All States destroy societies. No company has ever destroyed a society without the aid of the State. Thus the fear that a private company can somehow grow into a State is utterly unfounded in fact, experience, logic and history.

If society becomes frightened of a particular DRO, then it can simply stop doing business with it, which will cause it to collapse. If that DRO, as it collapses, somehow transforms itself from a group of secretaries, statisticians, accountants and contract lawyers into a ruthless domestic militia and successfully takes over society – and how unlikely is that! – then such a State will then be imposed on the general population. However, there are two problems even with this most unlikely scare scenario. First of all, if any DRO can take over society and impose itself as a new State, why only a DRO? Why not the Rotary Club? Why not a union? Why not the Mafia? The YMCA? The SPCA? Is society to then ban all groups with more than a hundred members? Clearly that is not a feasible solution, and so society must live with the risk of a brutal coup by ninja accountants as much as from any other group.

And, in the final analysis, if society is so terrified of a single group seizing a monopoly of political power, what does that say about the existing States? They have a monopoly of political power. If a DRO should never achieve this kind of control, why should existing States continue to wield theirs?

Collective Services

Roads, sewage, water and electricity and so on are also cited as reasons why a State must exist. How roads could be privately paid for remains such an impenetrable mystery that most people are willing to support the State – and so ensure the eventual and utter destruction of civil society – rather than cede that this problem just might solvable. There are many ways to pay for roads, such as electronic or cash tolls, GPS charges, roads maintained by the businesses they lead to, communal organizations and so on. And if none of those work? Why, then personal flying machines will hit the market!

The problem that a water company might build plumbing to a community, and then charge exorbitant fees for supplying it, is equally easy to counter. A truck could deliver bottled water, or the community could invest in a water tower, a competing company could build alternate pipes and so on. None of these problems touch the central rationale for a State. They are *ex post facto* justifications made to avoid the need for critical examination or, heaven forbid, political action. The argument that voluntary free-market monopolies are bad – and that the only way to combat them is to impose compulsory monopolies – is obviously foolish. If voluntary monopolies are bad, then how can coercive monopolies be better?

Due to countless examples of free market solutions to the problem of 'carrier costs', this argument no longer holds the kind of water it used to, so it must be elsewhere that people must turn to justify the continued existence of the State.

Pollution

This is perhaps the greatest problem faced by free-market theorists. It's worth spending a little time on outlining the worst possible scenario, and see how a voluntary system could solve it. However, it's important to first dispel the notion that the State currently deals effectively with pollution. Firstly, the most polluted resources on the planet are State-owned, because State personnel do not personally profit from retaining the value of State property (witness the destruction of the Canadian cod industry through blatant vote-buying). Secondly, the distribution of mineral, lumber and drilling rights is directly skewed towards bribery and corruption, because States rarely sell the land, but rather just the resource rights. A lumber company cannot buy woodlands from the State, just the right to harvest trees. Thus the State gets a renewable source of income, and can further coerce lumber companies by enforcing re-seeding. This, of course, tends to promote bribery, corruption and the creation of 'fly-by-night' lumber companies which strip the land bare, but vanish when it comes time to re-seed. Auctioning State land to a private